

Evaluation of the three  
years of operation  
(2011-2013) of the TEN-  
T Executive Agency

European Commission

Final Report

September 2015





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## Executive Summary

### Background

The Trans-European Transport Network (TEN-T) programme was established in the mid-1980's to assist in financing the transport infrastructure needed to facilitate a smooth functioning of the internal market, to ensure economic, social and territorial cohesion and to improve accessibility across the European Union (EU) territory.

The ultimate policy objective of the TEN-T programme was the establishment of a single, multimodal network covering both traditional ground-based structures and equipment (including intelligent transport systems) to enable safe and efficient traffic flows, by integrating the land, sea and air transport infrastructure components.

The TEN-T Executive Agency was established by the European Commission (EC) in 2006 to manage the TEN-T programme on behalf of the EC until 31 December 2015. It became financially, legally and operationally autonomous in April 2008.

In December 2013, the European Union adopted new TEN-T Guidelines and the Connecting Europe Facility (CEF), the European Union's funding programme for transport, energy and telecommunications for the programming period 2014-2020. Prior to that, in the context of the preparation of the 2014-2020 Multi-Annual Financial Framework, the Commission decided to increase the recourse to the existing Executive Agencies for the management of EU programmes. A comprehensive Cost-Benefit Analysis was carried out in 2013 on the basis of which the modalities of such delegation were decided. As a result, in January 2014, the TEN-T Executive Agency was renamed the Innovation and Networks Executive Agency (INEA) and its responsibilities were extended so as to include the management of parts of the CEF programme (transport, energy and telecoms) and of Horizon 2020 (transport and energy) as well as the legacies of the TEN-T and Marco Polo programmes.

TEN-T projects are financed by Member States, the EC, some European Economic Interest Groups and private beneficiaries. The 2007-2013 financial perspective brought in significant change by allowing TEN-T co-funding rates up to a maximum of 30% of the budget for infrastructure works of a project and 50% for studies.

A total budget of €8.013 billion was allocated to the TEN-T Programme in the 2007-2013 financial perspective. A Multi Annual Programme (MAP) was adopted in 2007, allocating 60% of its budget to cross-border projects covering the entire financial perspective.

Article 25 of Council Regulation (EC) No 58/2003 of 19/12/2002 laying down the statute for executive agencies stipulates that external evaluation reports shall be drawn up every three years. The previous evaluation of the TEN-T Executive Agency covered the period of April 2008 to April 2011, therefore this study covers the period between April 2011 and December 2013, when INEA took over.

This study reviews the work and action of the Agency and evaluates how well it met its objectives in implementing the TEN-T Programme. The Terms of Reference described the key objectives of this ex-post evaluation as:

- To evaluate the remaining period of the TEN-T EA agency, i.e. April 2011 to December 2013.

The methodology of the study was based on desktop analysis where qualitative and quantitative information was collected and analysed, as well as stakeholder consultation. The

programme of consultation with stakeholders was devised to be as comprehensive as possible and included fifteen interviews at the Agency including the entire senior management team, nine interviews with DG MOVE and other European institutions, 13 interviews with project promoters from a variety of Member States and 24 responses from Member States.

## Conclusions

The overall conclusion of the study is that, between 2011 and 2013, the TEN-T Executive Agency produced a good performance when delivering the tasks and functions delegated to it by the Commission under the relevant Commission decision, the EU financial regulation and the relevant legislation and regulations. The agency delivered its mandated tasks efficiently and effectively over that period (April 2011 to December 2013).

There is no doubt that the Agency significantly contributed to the operational enhancement and visibility of the Commission's action in TEN-T across Europe. There is clear evidence that the level of service offered by the Agency has improved compared to what it had been before the Agency was created. It received overwhelmingly positive feedback on its performance from all stakeholders concerned.

This evaluation finds that the Agency added value to the management and implementation of the TEN-T Programme by fulfilling all its objectives, being efficient, having adopted a well-functioning structure and strong control procedures. In addition, the Agency was proactive in identifying and making savings.

Its recruitment procedures and motivated staff also ensured high quality of execution of the TEN-T Programme implementation even during the busiest and most challenging year of 2013. The Agency allowed DG MOVE to focus on policy and institutional tasks and very transparent cooperation between both entities ensured that there was no overlap as well as DG MOVE being able to maintain its competence, knowledge and control of the implementation of the Programme.

In addition the Agency was the most cost-effective option available for the implementation of the TEN-T Programme, with the result of the cost benefit analysis significantly in favour of the external Agency option. This option allowed savings of €8.8 million of European budget compared to having the Programme implemented in-house.

## Recommendations

### *Staff motivation*

One of the key drivers of the success of the Agency was its staff productivity. We recommend that INEA continues to use the effective recruitment procedures developed by the Agency as well as the methods used to maintain a high level of motivation for their staff. This is particularly important as the first few years of INEA are likely to be challenging with new Programmes, a new structure, new recruits and a high work load. Through growth, it will be quite difficult for INEA to maintain a small "family feeling", and therefore efforts should be made to retain the customer-oriented spirit.

### *Role of the Project Officer*

The role of project officer at the Agency is key as these staff members are the "public" face of the Agency in the eyes of stakeholders. It is therefore important for there to be a consistent approach between project officers (which may now slightly vary between units or Programmes managed at INEA) and that best practices in stakeholder liaison are widely understood and

used by all officers. We understand that this is part of the role of the senior Project Officers at the Agency who ensure that there is consistency and coordination of approach and best practice. This is why as INEA undertakes a significant period of change management and training with new Programmes or the addition of new staff, it is important that the culture of cooperation and proactive support with stakeholders at the Agency continues.

#### *Continuity of communication between Project Officers and external stakeholders*

It is important that external stakeholders are aware who to contact in the absence of their dedicated Project Officer. Continuity management for key contacts (at the Agency or at stakeholder's organisations) needs to be focussed on so that contact details are constantly updated. The possibility for more than one contact person to be provided should also be examined: it would be useful if a shortlist of persons inside a Member State or Beneficiary organisation could be copied on the emails sent by the Agency, even if there is officially only one contact person.

#### *Increased administrative burden*

There is a risk that the paper trail required from beneficiaries and/or project proponents increases, and some stakeholders have already pointed out the problems with increased administrative burden. An independent assessment of the forms to be submitted, the frequency, etc., might be instructive to see whether economies of scale or streamlining of the processes could be introduced. The discussions and recommendations of the Advisory Group set out by the Agency to discuss procedural issues relating to project application and implementation is important in this context.

#### *Information during bids/first time bidders*

There is a concern expressed by stakeholders (even from experienced bidders) that a genuine mistake in a very complex bid may disqualify them during the application process for CEF funds. We recommend that the Agency analyses mitigations as well as their impact on the need to offer a fair and transparent competitive environment. We do not necessarily recommend that the Agency changes its ways of working, but instead that it studies the outcome of bids: are new bidders less successful than more experienced bidders, are bidders using an external consultant more successful than those without, etc.? The results of the analysis might be used to provide ideas to improve the procedures, or to identify particular stakeholders who might be disadvantaged by the current arrangements.

#### *Calendar of events*

The current annual organisation of the work at the Agency means that during the spring term two processes run in parallel: the evaluation of ASRs submitted by beneficiaries as well as the evaluation of proposals received during the Calls. For legal reasons the ASRs cannot be moved. The calls are fixed by DG MOVE on the basis of political considerations and we therefore recommend that the Agency considers if a better calendar of Calls can be agreed to even out the peak workload of the Agency.

#### *IT tools*

As the volume of work and Programmes under management increases at INEA, increased availability and greater reliability of IT tools would support the effective and efficient implementation of the Programme. We recommend, for instance, that good use is made of the Agency website to direct applicants towards the various language versions of key documents, that there is a shift of all documentation submission to electronic format, through TENtec and/or electronic means, including the submission of the Interim financial reports.



### *Communication with Parent DGs*

The communication between the Agency and DG MOVE has, to date, always been excellent. We recommend that efforts are made to maintain this level of communication, as well as between the Agency and its other Parent DGs. Some consideration also needs to be given to ensure adequate communication directly between INEA and the other parent DGs, so that information transfers can happen as effectively as with DG MOVE and at all reporting levels.

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## Résumé analytique

### Contexte

Le programme du Réseau Transeuropéen de Transport (RTE-T) a été créé au milieu des années 1980 pour aider à financer les infrastructures de transport nécessaires afin de faciliter le bon fonctionnement du marché intérieur, d'assurer la cohésion économique, sociale et territoriale et d'améliorer l'accessibilité partout sur le territoire de l'Union européenne (UE).

L'objectif politique final du programme RTE-T a été la création d'un réseau unique et multimodal couvrant à la fois les structures traditionnelles au sol et l'équipement (y compris les systèmes de transport intelligents) pour permettre des flux de circulation sûrs et efficaces, en intégrant des composants d'infrastructures terrestres, marines et aériennes.

L'Agence exécutive du Réseau transeuropéen de transport (TEN-T EA) a été créée par la Commission européenne en 2006 pour gérer le programme RTE-T au nom de la Commission européenne jusqu'au 31 décembre 2015. Elle est devenue financièrement, juridiquement et opérationnellement autonome en avril 2008.

En décembre 2013, l'Union européenne a adopté de nouvelles orientations pour le programme RTE-T et pour le mécanisme pour l'interconnexion en Europe (CEF), le programme de financement de l'Union européenne pour le transport, l'énergie et les télécommunications pour la période de programmation 2014-2020. Avant cela, dans le contexte de la préparation du cadre financier multi-annuel 2014-2020, la Commission a décidé d'augmenter le recours aux agences exécutives existantes pour la gestion des programmes de l'UE. Une analyse coûts-avantages complète a été réalisée en 2013 sur la base de laquelle les modalités de cette délégation ont été décidées. En conséquence, en janvier 2014, l'Agence exécutive TEN-T EA a été rebaptisée Agence exécutive innovation et réseau (INEA) et ses responsabilités ont été élargies de manière à inclure la gestion de certaines parties du programme CEF (transports, énergie et télécommunications) et Horizon 2020 (transport et énergie) ainsi que la gestion des programmes RTE-T et Marco Polo hérités du passé.

Les projets RTE-T sont financés par les États membres, la Commission européenne, certains groupes européens d'intérêt économique et des bénéficiaires privés. La période de programmation financière 2007-2013 ont apporté des changements importants en permettant des taux de co-financement du programme RTE-T allant jusqu'à un maximum de 30 % du budget pour les travaux d'infrastructure et 50 % pour les études.

Un budget total de 8 013 milliards d'euros a été alloué au programme RTE-T pour la période de programmation financière 2007-2013. Un programme pluriannuel (MAP) a été adopté en 2007, allouant 60 % du budget à des projets transfrontaliers couvrant l'ensemble de la période de programmation.

L'article 25 du règlement du conseil (CE) n° 58/2003 du 19/12/2002 portant statut des agences exécutives stipule que des rapports d'évaluation externes seront établis tous les trois ans. La précédente évaluation de l'Agence exécutive TEN-T EA couvrait la période d'avril 2008 à avril 2011. Par conséquent, cette étude couvre la période d'avril 2011 jusqu'à décembre 2013, lorsque l'INEA a pris les commandes.

Cette étude examine le travail et l'action de l'Agence et évalue dans quelle mesure elle a atteint ses objectifs dans la mise en œuvre du programme RTE-T. Les termes de référence de l'étude ont décrit les principaux objectifs de cette évaluation ex-post ainsi :

- Évaluer la période restante de l'agence TEN-T EA, à savoir avril 2011 à décembre 2013.

La méthodologie de l'étude a été basée sur une analyse documentaire où des informations qualitatives et quantitatives ont été recueillies et analysées, ainsi que sur une consultation des parties prenantes. Le programme de consultation avec les parties prenantes a été conçu pour être aussi complet que possible incluant quinze entretiens à l'Agence avec toute l'équipe dirigeante, neuf entretiens avec des membres de la DG MOVE et d'autres institutions européennes, 13 entretiens avec des promoteurs de projets venant de plusieurs États membres ainsi que 24 réponses reçues de la part des États membres.

## Conclusions

La conclusion générale de cette étude est que, entre 2011 et 2013, l'Agence exécutive RTE-T a réalisé de bonnes performances lors de la livraison des tâches et des fonctions qui lui avaient été déléguées en vertu de la décision de la Commission, de la réglementation financière de l'UE et des réglementations et législations pertinentes. L'Agence a effectué les tâches prescrites de manière efficiente et efficace au cours de cette période (avril 2011 à décembre 2013).

Il ne fait aucun doute que l'Agence a contribué de manière significative à l'amélioration opérationnelle et à la visibilité de l'action de la Commission dans les RTE-T à travers l'Europe. Il est clair que le niveau de service offert par l'Agence s'est amélioré par rapport à ce qu'il était avant sa création. L'Agence a reçu des commentaires très positifs concernant ses performances de la part de tous les intervenants concernés.

Cette évaluation constate que l'Agence a créé de la valeur ajoutée pour la gestion et la mise en œuvre du programme RTE-T en remplissant tous ses objectifs, en étant efficace, en ayant adopté une structure fonctionnant bien et des procédures de contrôle solides. En outre, l'Agence a été proactive dans l'identification et la réalisation d'économies.

Ses procédures de recrutement et son personnel motivé ont également assuré la qualité de l'exécution de la mise en œuvre du Programme RTE-T, même pendant l'année la plus active et la plus difficile, en 2013. L'Agence permis à la DG MOVE de se concentrer sur les tâches politiques et institutionnelles. La coopération très transparente entre les deux entités a assuré qu'il ne se crée pas de chevauchement, et que la DG MOVE soit en mesure de maintenir à niveau ses compétences et connaissances et contrôle de la mise en œuvre du programme.

En outre, l'Agence s'est révélée être l'option la plus rentable disponible pour la mise en œuvre du programme RTE-T, le résultat de l'analyse coûts-avantages étant significativement en faveur de l'option d'une agence externe. Cette option a permis des économies de 8,8 million € du budget européen par rapport à une mise en œuvre du programme en interne.

## Recommandations

### *Motivation du personnel*

Un des facteurs clés de la réussite de l'Agence a été la productivité de son personnel. Nous recommandons que l'INEA continue à utiliser les procédures de recrutement efficaces mises au point par l'Agence ainsi que les méthodes utilisées pour maintenir un haut niveau de motivation du personnel. Ceci est particulièrement important car les premières années de l'INEA sont susceptibles d'être difficiles avec de nouveaux programmes, une nouvelle structure, de nouvelles recrues et une charge de travail élevée. Cette croissance rendra très difficile pour l'INEA le maintien d'un « esprit de famille ». Des efforts devront donc être faits pour conserver une attitude orientée vers le client.

### *Rôle des chefs de projet*

Le rôle de chef de projet à l'Agence est un rôle clé car ces membres du personnel sont le visage « public » de l'Agence aux yeux des parties prenantes. Il est donc important de créer une approche cohérente entre les chefs de projet (pouvant désormais légèrement varier entre les unités ou programmes gérés au sein de l'INEA) et que les meilleures pratiques en liaison avec les intervenants soient largement comprises et utilisées par tous les agents. Nous comprenons que cela fait partie du rôle de chef de projet senior à l'Agence de veiller à la cohérence et à la coordination de l'approche et des meilleures pratiques. C'est pourquoi il est important, alors que l'INEA s'engage dans une importante période de changement en termes de gestion et de formation avec de nouveaux programmes ou l'ajout de nouveaux personnels, que la culture de coopération et de soutien proactif avec les parties prenantes à l'Agence continue.

### *Continuité de la communication entre les chefs de projet et les parties prenantes externes*

Il est important que les parties prenantes externes sachent qui contacter en l'absence de leur chef de projet dédié. La gestion de la continuité des contacts clés (à l'Agence ou au sein des organisations des parties prenantes) doit être un point d'attention central, de sorte que les coordonnées soient constamment mises à jour. La possibilité de fournir les coordonnées de plus d'un interlocuteur doit également être examinée : il serait utile si une liste de personnes appartenant à un État membre ou à une organisation bénéficiaire pouvait être copiée sur les e-mails envoyés par l'Agence, même s'il n'existe officiellement qu'un seul interlocuteur.

### *Augmentation de la charge administrative*

Il existe un risque d'augmentation du volume de la documentation administrative nécessaire de la part des bénéficiaires et / ou des promoteurs de projets. Certains intervenants ont déjà souligné les problèmes de l'alourdissement de la charge administrative. Une évaluation indépendante des formulaires devant être soumis, la fréquence, etc., pourrait être instructive afin de voir si des économies d'échelle ou une rationalisation des processus pourraient être introduites. Les discussions et les recommandations du Groupe consultatif mis en place par l'Agence pour discuter des questions de procédure relatives à l'application et à la mise en œuvre sont importantes dans ce contexte.

### *Informations pendant les soumissions / soumissionnaires pour la première fois*

Il existe une préoccupation exprimée par les parties prenantes (même de la part de soumissionnaires expérimentés) selon laquelle une erreur authentique commise dans une offre très complexe peut les disqualifier pendant le processus de demande de fonds CEF. Nous recommandons que l'Agence analyse des mesures d'atténuation ainsi que leur impact sur la nécessité d'offrir un environnement concurrentiel équitable et transparent. Nous ne recommandons pas nécessairement que l'Agence modifie ses méthodes de travail, mais plutôt qu'elle étudie le résultat des offres : les nouveaux soumissionnaires ont-ils moins de succès que les soumissionnaires plus expérimentés, les soumissionnaires ayant recours à un consultant externe réussissent-ils mieux que ceux qui ne le font pas, etc. ? Les résultats de l'analyse peuvent être utilisés pour fournir des idées afin d'améliorer les procédures, ou pour identifier certaines parties prenantes qui pourraient être désavantagées par les dispositions actuelles.

### *Calendrier des événements*

L'organisation annuelle actuelle du travail à l'Agence signifie que pendant le trimestre du printemps, deux processus se déroulent en parallèle : l'évaluation des ASR soumis par les

bénéficiaires ainsi que l'évaluation des propositions reçues au cours des appels d'offre. Pour des raisons juridiques, les ASR ne peuvent pas être déplacés. Les appels d'offre sont fixés par la DG MOVE sur la base de considérations politiques et nous recommandons donc que l'Agence considère si un meilleur calendrier des appels d'offre peut être convenu pour aplanir le pic de charge de travail de l'Agence.

#### *Outils informatiques*

Alors que le volume de travail et les programmes sous gestion augmentent à l'INEA, une disponibilité accrue et une plus grande fiabilité des outils informatiques seraient favorables à la mise en œuvre effective et efficace du programme. Nous recommandons, par exemple, qu'un bon usage soit fait du site internet de l'Agence afin de diriger les demandeurs vers les différentes versions linguistiques des documents clés, qu'il y ait un mouvement vers une soumission de la documentation en format électronique par le biais du TENtec et / ou par voie électronique, y compris la soumission des rapports financiers intermédiaires.

#### *Communication avec les DG de tutelle*

La communication entre l'Agence et la DG MOVE a, à ce jour, toujours été excellente. Nous recommandons que des efforts soient déployés pour maintenir ce niveau de communication, ainsi qu'entre l'Agence et ses autres DG de tutelle. Il importe aussi de prêter une attention particulière aux communications directes adéquates entre l'INEA et les autres DG de tutelle, de sorte que les transferts d'informations puissent se dérouler de manière aussi efficace qu'avec la DG MOVE et ce, à tous les niveaux hiérarchiques.

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## Zusammenfassung

### Hintergrund

Das transeuropäische Verkehrsnetz (TEN-V) wurde im Jahr 1980 zur finanziellen Unterstützung des Auf- und Ausbaus der Verkehrsinfrastruktur in der Europäischen Union, zur Umsetzung und Entwicklung des Binnenmarkts, zur Verbesserung des wirtschaftlichen, sozialen und territorialen Zusammenhalts und zur Erleichterung der Zugänglichkeit innerhalb der Europäischen Union begründet.

Die TEN-V-Leitlinien zielen letztlich auf die Errichtung eines einzigen multimodalen Netzes, das sowohl traditionelle materielle Strukturen als auch die entsprechende Ausstattung einschließlich intelligenter Verkehrssysteme (IVS) umfasst, um durch die Integration von Infrastrukturkomponenten des Land-, See- und Luftverkehrs einen sicheren und effizienten Verkehr zu gewährleisten.

Die TEN-V-Exekutivagentur wurde von der Europäischen Kommission (EK) im Jahr 2006 gegründet, um das TEN-V-Programm im Auftrag der EK bis 31. Dezember 2015 zu verwalten. Im April 2008 wurde sie finanziell, rechtlich und operativ autonom.

Im Dezember 2013 wurden von der Europäischen Union Verordnungen zu den Leitlinien für die Transeuropäischen Verkehrsnetze (TEN-V Leitlinien) und die Verordnung „Connecting Europe Facility (CEF)“ erlassen, die für den Zeitraum 2014-2020 auf die Unterstützung und Weiterentwicklung eines leistungsfähigen, nachhaltigen und effizient verbundenen transeuropäischen Netzwerks in den Bereichen Energie, Telekommunikation und Transport ausgerichtet ist. Zuvor, im Zusammenhang mit der Vorbereitung des mehrjährigen Finanzrahmens für den Zeitraum 2014-2020, hatte die Kommission eine höhere Inanspruchnahme bestehender Exekutivagenturen für die Verwaltung der EU-Programme beschlossen.

Eine umfassende Kosten-Nutzen-Analyse wurde im Jahr 2013 durchgeführt, aufgrund derer die Modalitäten dieser Delegation entschieden wurden. Folglich wurde im Januar 2014 die TEN-V-Exekutivagentur in Exekutivagentur für Innovation und Netze (INEA) umbenannt und ihr Verantwortungsbereich erweitert. Sie verwaltet nun Bereiche des CEF-Programms (Verkehr, Energie und Telekommunikation) und des Horizont 2020 Programms (Transport und Energie). INEA wickelt weiters die schon laufenden Projekte im Rahmen der Transeuropäischen Verkehrsnetze sowie des Förderprogramms Marco Polo ab.

Die TEN-V-Projekte werden von den Mitgliedstaaten, der Europäischen Kommission, einigen europäischen wirtschaftlichen Interessensvereinigungen und privaten Begünstigten finanziert. Die Finanzielle Vorausschau 2007-2013 brachte wesentliche Änderungen. Es wurden TEN-V-Kofinanzierungsraten von bis zu maximal 30% des Budgets für Infrastrukturarbeiten eines Projekts und bis zu 50% für Studien zugelassen.

Ein Gesamtbudget von über 8 Milliarden Euro wurde dem TEN-V-Programm in der Finanziellen Vorausschau 2007-2013 zur Verfügung gestellt. Im Jahr 2007 wurde ein Mehrjahresprogramm (MAP) verabschiedet. 60% des Budgets wurde grenzüberschreitenden Projekten für die gesamte Laufzeit der Finanziellen Vorausschau zugewiesen.

Gemäß Artikel 25 der Verordnung (EG) Nr. 58/2003 des Rates vom 19. Dezember 2002 zur Festlegung des Statuts der Exekutivagenturen müssen externe Evaluierungsberichte alle drei Jahre erstellt werden. Die letzte Evaluierung der TEN-V-Exekutivagentur betraf den Zeitraum April 2008 bis April 2011, weshalb diese Studie den Zeitraum April 2011 bis Dezember 2013 umfasst, als INEA die Nachfolge antrat.

Diese Studie untersucht die Arbeit der Agentur und bewertet, wie gut sie ihre Ziele bei der Umsetzung des TEN-V-Programms erfüllt hat. Die Spezifikationen der Studie beschrieben die zentralen Ziele dieser Ex-Post-Evaluierung wie folgt:

- Den verbleibenden Zeitraum der TEN-V-EA-Agentur zu evaluieren, das heißt April 2011 bis Dezember 2013.

Zu den angewendeten Verfahren in der Studie gehören die Desktop-Analyse, bei der qualitative und quantitative Informationen gesammelt und analysiert wurden, und die Konsultation der Interessensgruppen. Das Programm zur Konsultation von Interessensgruppen wurde so umfangreich wie möglich entwickelt und umfasste fünfzehn Interviews in der Agentur einschließlich des gesamten Management-Teams, neun Interviews mit der Generaldirektion für Mobilität und Verkehr (DG MOVE) und anderen europäischen Institutionen, 13 Interviews mit Projektträgern aus einer Vielzahl von Mitgliedstaaten und 24 Antworten von Mitgliedstaaten.

### **Schlussfolgerungen**

Aus der Studie geht hervor, dass die TEN-V-Exekutivagentur zwischen 2011 und 2013 eine gute Performance gezeigt hat. Die ihr von der Kommission im Rahmen der jeweiligen Entscheidungen der Kommission, der Haushaltsordnung der EU und der relevanten Gesetze und Verordnungen übertragenen Aufgaben und Funktionen wurden sorgfältig ausgeführt. Die Agentur hat seine mandatierten Aufgaben effizient und effektiv im entsprechenden Zeitraum erfüllt (April 2011 bis Dezember 2013).

Es besteht kein Zweifel, dass die Agentur maßgeblich zur operativen Effizienz und Sichtbarkeit der TEN-V Maßnahmen der Kommission in ganz Europa beigetragen hat. Das Leistungsniveau hat sich im Vergleich zum Zeitraum vor der Schaffung der Agentur deutlich verbessert. Die Agentur erhielt überwiegend positive Rückmeldungen bezüglich ihrer Leistung von Seiten aller Beteiligten.

Aus dieser Evaluierung geht hervor, dass die Agentur Mehrwert für die Verwaltung und die Implementation des TEN-V-Programms erbracht hat, indem sie alle Ziele effizient erfüllt und außerdem eine gut funktionierende Struktur und bewährte Kontrollverfahren übernommen hat. Darüber hinaus hat sich die Agentur proaktiv bei der Identifizierung und Erzielung von Einsparungen gezeigt.

Ihre Einstellungsverfahren und motivierten Mitarbeiter haben selbst während des turbulenten und herausfordernden Jahres 2013 für höchste Qualität bei der Ausführung des TEN-V-Programmes gesorgt. Die Agentur ermöglichte es DG MOVE sich auf politische und institutionelle Aufgaben zu konzentrieren und eine sehr transparente Zusammenarbeit zwischen den beiden Instanzen sorgte dafür, dass es zu keinen Überschneidungen kam, und

DG MOVE außerdem seine Kompetenz, sein Wissen und seine Kontrolle über die Durchführung des Programms aufrechterhalten konnte.

Die Agentur war zusätzlich die kostengünstigste Option für die Umsetzung des TEN-V-Programms, mit einer deutlich zu Gunsten der Option einer externen Agentur ausfallender Kosten-Nutzen-Analyse. Diese Option machte, im Vergleich zur weitaus teureren Variante das Programm intern zu implementieren, Einsparungen in Höhe von 8,8 Millionen Euro im europäischen Budget möglich.

## **Empfehlungen**

### *Mitarbeitermotivation*

Einer der Schlüsselfaktoren für den Erfolg der Agentur war deren Personalproduktivität. Wir empfehlen, dass INEA weiterhin die effektiven Einstellungsverfahren der Agentur, sowie deren Methoden zur Mitarbeitermotivation anwendet. Dies ist besonders wichtig, da sich die ersten Jahre für INEA mit neuen Programmen, einer neuen Struktur, neuen Mitarbeitern und hoher Arbeitsbelastung als besonders herausfordernd herausstellen werden. Aufgrund des Wachstums wird es sich für INEA als schwierig erweisen, das "Familiengefühl" zu wahren, weshalb Anstrengungen unternommen werden sollten, um den kundenorientierten Geist aufrechtzuerhalten.

### *Die Rolle des Projektbegleiters*

Die Rolle des Projektbegleiters ist von äußerster Wichtigkeit, da diese Mitarbeiter das Gesicht der Agentur repräsentieren. Daher ist es wichtig, dass ein einheitliches Vorgehen von den verschiedenen Projektbegleitern angewendet wird (welches zwischen den Einheiten oder Programmen die von INEA verwaltet werden leicht variieren kann), und, dass bewährte Verfahren in Verbindung mit Interessensgruppen weitgehend verstanden und von allen Projektbegleitern verwendet werden. Wir sind der Auffassung, dass dies Teil der Rolle der leitenden Projektbegleiter der Agentur ist, die für eine einheitliche Vorgehensweise und die Förderung bewährter Praktiken sorgen. Da INEA eine Periode des Wandels durchlebt, in der Änderungen in der Verwaltung vorgenommen, neue Programme adaptiert, oder neue Mitarbeiter eingestellt werden, ist es wichtig, dass die Kultur der Zusammenarbeit und der proaktiven Unterstützung mit beteiligten Interessensgruppen in der Agentur bewahrt wird.

### *Kontinuität in der Kommunikation zwischen den Projektbegleitern und externen Akteuren*

Es ist wichtig, dass externe Akteure darüber Bescheid wissen, wen sie in der Abwesenheit ihrer verantwortlichen Projektbegleiter kontaktieren können. Der Fokus soll auf der ständigen Aktualisierung wichtiger Kontaktdaten liegen (in der Agentur oder in beteiligten Organisationen), damit Kontinuität in der Kommunikation gewährleistet werden kann. Es sollte außerdem die Möglichkeit in Betracht gezogen werden, mehr als eine Kontaktperson zur Verfügung zu stellen: Es wäre vorteilhaft eine Auswahl von Ansprechpersonen innerhalb eines Mitgliedstaates oder die Projektbegünstigten in den E-Mailverkehr der Agentur einzubeziehen, selbst wenn es offiziell nur eine Kontaktperson gibt.

### *Erhöhter Verwaltungsaufwand*

Es läuft natürlich darauf hinaus, dass die für die Begünstigten und/oder Projektträger erforderlichen Datenspuren immer größer ausfallen, weshalb einige Akteure bereits auf die mit dem erhöhten Verwaltungsaufwand verbundenen Probleme hingewiesen haben.



Unabhängige Bewertungen der einzureichenden Unterlagen, der Häufigkeit, etc., könnten Aufschluss darüber geben, ob Größeneinsparungen oder Verfahrensstraffungen durchgeführt werden sollten. Die Diskussionen und Empfehlungen der Beratergruppe, die durch die Agentur angeordnet wurden, um Verfahrensfragen bezüglich der Anwendung und Umsetzung von Projekten zu diskutieren, spielen in diesem Zusammenhang eine wichtige Rolle.

#### *Informationen zu Anträgen / Erstmalige Bieter*

Einige Akteure (selbst erfahrene Bieter) haben angemerkt, dass ein unbeabsichtigter Fehler während eines komplexen Antrages dazu führen kann, dass sie im Verfahren zur Beantragung von CEF-Mitteln disqualifiziert werden. Wir empfehlen, dass die Agentur Lösungen zu diesem Thema, sowie deren Auswirkung auf die Notwendigkeit, faire und transparente Wettbewerbsbedingungen anbieten zu können, untersucht. Das bedeutet nicht notwendigerweise, dass die Agentur ihre Arbeitsweise komplett ändern soll, sondern dass sie die Ausgänge von Anträgen analysieren soll: Beispielsweise ob neue Bieter weniger erfolgreich sind als erfahrene Bieter, oder Bieter, die einen externen Berater zu Rate ziehen erfolgreicher sind als diejenigen ohne, etc. Die Ergebnisse einer solchen Analyse können dazu verwendet werden, Ideen zur Verfahrensverbesserung aufzubringen, und Akteure zu identifizieren, die durch derzeitige Regelungen benachteiligt sein könnten.

#### *Prozesseinteilung*

Die aktuelle Jahresplanung der Agentur sieht vor, dass während des Frühlingsemesters zwei Prozesse parallel laufen: die ASR-Evaluierung sowie die Evaluierung von Anträgen, die nach den Aufrufen zur Antragseinreichung eingegangen sind. Aus rechtlichen Gründen können die ASRs nicht verschoben werden. Die Aufrufe werden von DG MOVE auf der Grundlage von politischen Erwägungen festgelegt und wir empfehlen daher, dass die Agentur abwägt, ob ein besserer Zeitpunkt dafür vereinbart werden kann, um den erhöhten Arbeitsaufwand besser aufzuteilen.

#### *IT-Tools*

Da sich das Arbeitsvolumen bei INEA beträchtlich erhöht, wären erhöhte Verfügbarkeit und Zuverlässigkeit von IT-Tools für eine effektivere und effizientere Durchführung des Programms von großem Vorteil. Wir empfehlen, dass beispielsweise die Webseite der Agentur dazu verwendet wird, um den Antragstellern die wichtigsten Dokumente in verschiedenen Sprachen näherzubringen und dass alle Unterlagen, einschließlich des Zwischenfinanzberichts, ausschließlich in elektronischer Form mittels TENtec und/oder dem Einsatz anderer elektronischer Mittel eingereicht werden.

#### *Kommunikation mit übergeordneten Generaldirektionen*

Die Kommunikation zwischen der Agentur und DG MOVE hat bis zum heutigen Tag immer reibungslos funktioniert. Wir empfehlen, dass Anstrengungen unternommen werden, um die Qualität der Kommunikation zwischen diesen beiden Parteien, wie auch zwischen der Agentur und ihren anderen übergeordneten Generaldirektionen, zu erhalten. In Erwägung zu ziehen wäre auch die Sicherstellung einer angemessenen direkten Kommunikation zwischen INEA und anderen Generaldirektionen, damit die Informationsübertragung so effektiv wie mit DG MOVE und auf allen Berichtsebenen erfolgen kann.

*„Die in dieser Studie dargelegten Informationen und Ansichten sind die der/des Autoren/Autors und geben nicht notwendigerweise die offizielle Meinung der Kommission wider. Die Kommission übernimmt keine Gewähr für die Richtigkeit der in dieser Studie enthaltenen Daten. Weder die Kommission noch Personen, die im Namen der Kommission handeln, können für den allfälligen Gebrauch der darin enthaltenen Informationen verantwortlich gemacht werden.“*

## Glossary

**Annual Activity Report (AAR):** An AAR is a report that covers the operation of the Agency and implementation of its operating budget as well as covering activities linked to implementation of the programme(s) managed by the Agency.

**Annual Work Programme (AWP) of the TEN-T Programme:** The AWP was oriented towards the funding of projects of common interest which reflected priorities of a shorter-term nature, reduced in scope and / or more diffuse in coverage (e.g. horizontal priorities).

**Annual Work Programme of the Agency:** Annual work programmes of the Agency set the detailed objectives and performance indicators that will be used for the work of the Agency. They are a requirement as per Regulation 58/2003 and must be approved by the Commission.

**Action Status Report (ASR):** An ASR is an annual report submitted by the implementing body on the technical progress of the project against the initial plan, and the associated budget consumption. It is the main document used by the Agency to assess progress. For multi-annual projects, the ASR serves as the basis for deciding whether funding for the next phase of work should be allocated.

**Connecting Europe Facility (CEF):** The CEF regulation sets out the conditions, methods and procedures for awarding EU financial support to trans-European networks in order to support projects of common interest in the sectors of transport, telecommunications and energy infrastructures and to exploit potential synergies between those sectors. It also establishes the breakdown of the resources to be made available under the multiannual financial framework for the years 2014-2020. Under the CEF, €26.25 billion (€ 24,05 billion following the adoption of the AFSI Regulation in June 2015), of which € 11,30 billion for the Member States eligible for the Cohesion Fund, will be made available from the EU's 2014-2020 budget to co-fund TEN-T projects.

**DG MOVE:** Directorate General of the European Commission for Mobility and Transport. Its aim is to promote a mobility that is efficient, safe, secure and environmentally friendly and to create conditions for a competitive industry generating growth and jobs. DG MOVE is composed of six Directorates, and was formerly part of DG TREN. In 2010, DG TREN was separated into two Directorates General, one for Energy (DG ENER) and another for Transport (DG MOVE).

**DG REGIO:** Directorate General of the European Commission for Regional and Urban Policy. Its mission is to strengthen economic, social and territorial cohesion by reducing disparities between the levels of development in regions and Member States.

**ECA:** European Court of Auditors.

**EIB:** European Investment Bank.

**EPSO:** European Personnel Selection Office is the office in charge of selecting staff to work for the Institutions and Agencies of the European Union.

**ERTMS:** European Rail Traffic Management System is an initiative supported by the EU to enhance cross-border interoperability and the procurement of signalling equipment by creating a single Europe-wide standard for train control and command systems.

**FTE:** Full-time equivalent (FTE) is a ratio of equivalent employees working full-time.

**Horizontal Priority:** ATM / SESAR, ITS, RIS, MoS, ERTMS, Innovation inter alia are considered Horizontal Priorities of the TEN-T Programme.

**INEA:** The newly established Innovation and Networks Executive Agency (INEA), which incorporates the former TEN-T Executive Agency as well as parts of other former agencies and other additional responsibilities, and is responsible for the follow up of the TEN-T programme in financial and technical terms. It is also responsible for the other elements of CEF and aspects of Horizon 2020 and legacy Marco Polo projects.

**MEP:** Member of European Parliament.

**Motorways of the Sea (MoS):** was a TEN-T Priority Project (now a horizontal priority of CEF) which stresses the importance of sea transport. The “motorways of the sea” concept aims at introducing new intermodal maritime-based logistics chains in Europe, more sustainable, and commercially more efficient than road-only transport.

**Multi-Annual work programme (MAP):** The Multi-Annual Work Programme was the main component of the TEN-T Programme, receiving 80%-85% of the funding. Funding under the MAP was oriented mainly to the 30 TEN-T Priority Projects.

**Priority Project:** Thirty projects of common interest were defined in the 2004 TEN-T Guidelines. Deadlines for the completion of the projects were also included.

**Strategic Action Plan (SAP):** a SAP is a project management document which identifies the activities to be carried out and the associated resources, timeline and dependencies.

**TEN-T:** Trans-European Network – Transport is an infrastructure development plan initially agreed by the European Parliament and the European Council in 1996. It aims to provide better connections and intermodality for freight and passengers among Member States. The TEN-T Guidelines were updated and amended in 2004, 2010 and most recently in 2013.

**TEN-T Executive Agency (TEN-T EA):** This agency was created in 2006 to manage the technical and financial implementation of its TEN-T programme. It has now been replaced by INEA.

# 1 Introduction

## Background

- 1.1 The Trans-European Transport Network (TEN-T) programme was established in the mid-1990's to provide the transport infrastructure needed to facilitate a smooth functioning of the internal market, to ensure economic, social and territorial cohesion and to improve accessibility across the European Union (EU) territory.
- 1.2 The ultimate policy objective of the TEN-T programme is the establishment of a single, multimodal network covering both traditional ground-based structures and equipment (including intelligent transport systems) to enable safe and efficient traffic flows, by integrating the land, sea and air transport infrastructure components.
- 1.3 The original TEN-T guidelines which were adopted in 1996 included fourteen infrastructure Priority Projects, the so-called 'Essen projects'. In view of the imminent enlargement of the European Union, these guidelines were amended in 2004, increasing the total number of Priority Projects to thirty.
- 1.4 The TEN-T Executive Agency was established in 2006. The TEN-T Executive Agency was created by the European Commission (EC) in late 2006 to manage the TEN-T programme on behalf of the EC until 31 December 2015. It became financially, legally and operationally autonomous in April 2008.
- 1.5 In December 2013, the European Union adopted new TEN-T Guidelines and the Connecting Europe Facility (CEF), the European Union's funding programme for transport, energy and telecoms for the programming period 2014-2020. Prior to that, in the context of the preparation of the 2014-2020 Multi-Annual Financial Framework, the Commission decided to increase the recourse to the existing Executive Agencies for the management of EU programmes. A comprehensive Cost-Benefit Analysis was carried out in 2013 on the basis of which the modalities of such delegation were decided.
- 1.6 As a result, in January 2014, the TEN-T Executive Agency was renamed the Innovation and Networks Executive Agency (INEA) and its responsibilities were extended. It is now responsible for the implementation of parts of the Connecting Europe Facility (transport, energy and telecoms), and of Horizon 2020 (transport and energy) as well as the legacies of

the TEN-T and Marco Polo programmes (transferred from the Executive Agency for Competitiveness and Innovation).

- 1.7 INEA implements the Connecting Europe Facility (CEF) which is divided into 3 sectors (transport, energy and telecoms) and is continuing to implement the remaining projects from the TEN-T Programme. It also implements the Societal Challenges part of the Horizon 2020 Programme focussing on sustainable transport and energy. In addition, it implements the legacy Marco Polo Programme on freight performance. INEA has four Parent DGs (DG MOVE, DG CNECT, DG ENER and DG RTD).
- 1.8 TEN-T projects are financed by Member States, the EC, some European Economic Interest Groups and private beneficiaries. The 2007-2013 financial perspective brought in significant change by allowing TEN-T co-funding rates up to a maximum of 30% of the budget for infrastructure works of a project and 50% for studies.
- 1.9 A Multi Annual Programme (MAP) was adopted, allocating 60% of its budget to cross-border projects covering the entire financial perspective. Under the 2007-2013 financial programme, €8.013 billion was allocated. The project portfolio included key parts of the 30 priority TEN-T projects as well as projects with specific and exceptional difficulties and a long term perspective.
- 1.10 Going forward, the CEF will make €26.25 billion available to co-fund TEN-T projects. This amount includes €11.3 billion specifically for projects in Member States who are eligible for the Cohesion Fund only.

### **The need for this study**

- 1.11 As part of its efforts to improve regulation and ensure that public funds are spent effectively, the European Commission requires that ex-post evaluations are undertaken where significant expenditure has been used. Many Regulations require the Commission to undertake intermediate or ex post evaluations of the impact of the policy concerned after a given period.
- 1.12 Additionally, Article 25 of Council Regulation (EC) No 58/2003 of 19/12/2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes stipulates that "*An external evaluation report on the first three years of operation of each executive agency shall be drawn up by the Commission and submitted to the steering committee of the executive agency, to the European Parliament, to the Council and to the Court of Auditors. It shall include a cost-benefit analysis as referred to in Article 3(1). The evaluation shall subsequently be repeated every three years under the same conditions, as stipulated in paragraph 2.*"
- 1.13 The latest evaluation of the TEN-T Executive Agency covered the period of April 2008 to April 2011. As a result of the inauguration of INEA as discussed above in paragraph 1.5, the objective of this study is to evaluate the remaining period of the TEN-T Executive Agency - that is between April 2011 and December 2013, representing slightly less than 3 years.

### **Structure of this document**

- 1.14 The remainder of this document is structured as follows:
  - Chapter 2 covers the methodology used for the evaluation;
  - Chapter 3 presents the works and organisation of the Executive Agency between 2011 and 2013;
  - Chapter 4 provides the findings of the evaluation; and

- Chapter 5 presents the conclusions and recommendations of this study.

## 2 Methodology

2.1 This section provides a summary of the research methodology used in the study. As presented in the Introduction, the objectives of the study were both qualitative and quantitative, which required us to undertake the study in two main parts:

- Desk-based research: we collected and analysed qualitative and quantitative information; and
- Staff and stakeholder engagement: we collected views about the Agency.

2.2 These tasks are described in more detail below.

### **Desk-based analysis**

#### **Data collection and review of documentation**

2.3 We carried out desk research to collect relevant information on the mission and work of the Agency. We also collected information to support the cost-benefit analysis.

2.4 The desk research allowed us:

- To identify data sources;
- To review the key issues regarding the Agency, its organisation and its running during the period under consideration; and
- To further understand the views and opinions of the staff and stakeholders.

2.5 The data we have collected for the study and reviewed is provided in Table 2.1 below.



**Table 2.1: Data sources**

Source	Data type
DG MOVE	Commission decisions related to the TEN-T EA
DG MOVE	Legal acts for the programmes managed by TEN-T EA
TEN-T EA	Documents related to the work of the TEN-T EA (Annual Activity Reports, Annual Accounts, Biannual reports, Execution reports, etc.)
DG MOVE/TEN-T EA	Documents on the working arrangements between the parent-DGs and the TEN-T EA
DG MOVE	Evaluations and impact assessments and CBAs related to the TEN-T EA
European Court of Auditors	Results from audits of TEN-T EA
DG MOVE	Work Programmes & Implementation reports of the TEN-T programme managed by the TEN-T EA

## Staff and stakeholder consultation

### Consultation selection process

2.6 For the evaluation, it was decided that the programme of consultation with stakeholders should be as comprehensive as possible, in order to obtain a range of views about the role and work of the TEN-T Executive Agency from all groups of stakeholders affected by their work.

2.7 In agreement with the Commission, we defined a programme of staff and stakeholder interviews with the following organisations:

- TEN-T Executive Agency: The relevant Officers including its Executive Director, Heads of Unit from the period who are still available, key personnel from Human Resources, Internal Audit, Legal team, Information and Communications, and Project Officers;
- DG MOVE: Officers who interacted with the Agency including the relevant Heads of Unit, Policy and Liaison officers;
- DG REGIO and DG ENV: Officers who interacted with the Agency;
- Other European institutions such as the European Investment Bank and the European Court of Auditors who performed an audit of the Agency;
- TEN-T Promoters: stakeholders who were liaising with the Agency on a regular basis; and
- Member States: A selection of Member State representatives who were liaising with the Agency on a regular basis.

### Questionnaires

2.8 In order to collect the views of staff and stakeholders and to answer the questions raised in the Terms of Reference, a list of questions to be used during the interviews was developed.

2.9 The questionnaires were designed in order to help us:

- Understand how the Agency was organised and, in particular, lines of communication;
- Understand the Agency processes and its structure;
- Collect the views of staff and stakeholders on the work, action and results of the TEN-T Executive agency;

- Collect information for the key performance indicators (quantitative and qualitative) to test the implementation, relevance, effectiveness, efficiency, sustainability, utility, value added and economy of the agency;
- Obtain the views of stakeholders on possible improvements; and
- Obtain any other thoughts relevant to our study.

2.10 Tailored question lists were developed for each of the categories of respondents. Some questionnaires were further refined to address the precise circumstances and needs of the respondents when we were aware of any particular issues.

2.11 Although we sent the question lists in advance, it was not expected that interviewees would provide their response in writing; rather their responses were often recorded during the face-to-face or telephone interview.

### **Responses and interviews**

2.12 Detailed information about the interviews and responses received is provided in Appendix A. Overall, we had 15 interviews at the Agency including all those members of the senior management team who were still working for the Agency or the Commission, nine interviews with DG MOVE and other European institution staff, 13 interviews with project promoters from a variety of Member States and 24 responses from Member States.

## 3 Background information about the TEN-T Executive Agency between 2011 and 2013

### Introduction

- 3.1 In this chapter we provide some background information on the TEN-T Executive Agency, its organisation and a brief description of key events between 2011 and 2013. We start by describing what Executive Agencies are and then present the tasks and responsibilities entrusted to the TEN-T Executive Agency.

### Executive agencies of the European Commission

- 3.2 Executive agencies are established by Commission decision, under Regulation (EC) n° 58/2003, in order to assist in the implementation of all or part of a European Union programme(s) on behalf of the Commission and under its responsibility. They are Community bodies with a legal status established by the Commission in order to implement all or part of EU programmes on its behalf and under its responsibility.
- 3.3 Executive agencies remain entirely under the control and responsibility of the Commission. Their operational tasks are of an executive nature only and do not include political decision making. The main objective of outsourcing certain management tasks to Executive Agencies is to achieve the goals of Community programmes more effectively and cost efficiently.
- 3.4 A 2009 report<sup>1</sup> of the Court of Auditors stated that *“delegating the day-to-day management of spending programmes to specialised agencies has been a leitmotiv of public service reform at national level. This had essentially two aims: improving service delivery (through reduced red tape, increased specialisation and enhanced commitment to specific results) and enabling central authorities to concentrate on ‘core functions’ such as policy design and supervision”*.
- 3.5 We understand that the administrative budget of the executive agencies is drawn from the financial envelope of the programmes under their management, i.e. TEN-T budget for the TEN-

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<sup>1</sup> Special report 13/2009 “Delegating implementing tasks to Executive Agencies: a successful option?”

T Executive Agency according to Article 12.3 of Regulation (EC) n° 58/2003<sup>2</sup>. The Commission is responsible for supervising the executive agencies' activities. The agencies' directors are officials appointed by the Commission. The members of the Steering Committees are also appointed by the Commission. An Executive Agency reports to one or more Directorates-General.

- 3.6 Regulation 1653/2004 contains the standard financial regulation for Executive Agencies. Its key features include:
- A requirement for sound financial management, effective and efficient internal control and transparency of the budget.
  - The financial budget year is the same as the calendar year.
  - The Agency may not raise loans, revenue and expenditure must balance and any positive balance at the end of the year needs to be repaid to the Commission.
  - The annual work programme shall include detailed objectives and performance indicators.
  - The adopted budget of the Agency is shared with the Court of Auditors and Commission.
  - The role of authorising officer and accounting officer shall be segregated.
  - The Commission's internal auditor shall play that role for the Agency.
  - The Agency is required to present accounts comprising financial statements and reports of budget implementation.
- 3.7 The lifetime of Executive Agencies is linked to the duration of the programme(s) that they help to implement, therefore they are set up for a fixed duration and must be based in the same location as the Commission (either Brussels or Luxembourg).
- 3.8 In 2015 there were six Executive Agencies operating in diverse areas including Small and Medium Size Enterprises (EASME), Research (REA and ERC Executive Agency), Consumers, Health and Food (CHAFEA), or Education, Audio-visual and Culture (EACEA) in addition to INEA.
- 3.9 The Trans-European Transport Network Executive Agency (TEN-T EA) was established by Commission decision<sup>3</sup> in late 2006 for the management of Community action in the field of the trans-European transport network. In November 2007, the Commission approved the delegation of powers to the TEN-T EA to efficiently and effectively implement the TEN-T Programme within the boundaries of its mandate. The TEN-T EA became financially, legally and operationally autonomous in April 2008.
- 3.10 In October 2008 the Commission Decision 2008/5538 modified and extended the act of delegation of powers to the TEN-T EA to take account of its new tasks and by January 2009 the TEN-T EA became fully responsible for the management of all open TEN-T projects from both the 2000-2006 and 2007-2013 Multi-Annual Financial Framework. The financial envelope for TEN-T was €8.013 billion during the 2007-2013 programming period.

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<sup>2</sup> "The executive agency's revenue shall include a subsidy entered in the general budget of the European Union, without prejudice to other revenue to be determined by the budgetary authority, drawn from the financial allocation to the Community programmes which the agency is involved in the management of".

<sup>3</sup> Commission Decision 2007/60/EC of 26 October 2006 establishing the Trans-European Transport Network Executive Agency pursuant to Council Regulation (EC) No 58/2003

## Mandate of the TEN-T Executive Agency

### TEN-T Executive Agency responsibilities

- 3.11 The Commission Decision of 11 July 2008 (amending Decision 2007/60/EC), set out the key management tasks of the Agency, and clarified its duration period to 31 December 2015. It states that the Agency was established to “ensure greater flexibility and be a lower cost approach (as demonstrated by the Cost Benefit Analysis used to justify its establishment)”. The key features from this decision regarding the Agency’s responsibilities include:
- The Agency is responsible for project related activities.
  - The Agency contributes to the efficiency and effectiveness of the TEN-T programme, by maximising the European added value, including the visibility to the general public in Member States.
  - The Agency is responsible for management of the monitoring phases and carrying out checks of the financial aid granted.
  - The Agency co-ordinates with other Community financial instruments (structural funds, cohesion funds and European Investment Bank).
  - The Agency provides technical assistance to project promoters about financial engineering and common evaluation methods.
- 3.12 The key features from this decision regarding the Commission’s responsibilities include:
- All programme related activities – including controlling and policy making remain the Commission’s responsibility.
  - The Commission remains responsible for adoption of the decision on granting Community financial aid and any subsequent amendment.
- 3.13 The Agency’s status as an executive agency meant it had two fundamental features: 'Autonomy' because it had its own legal status and could adopt legal acts, and it had its own administrative budget for operating costs; and 'dependence' because it could only perform tasks delegated by the Commission, and all financial operations must have complied with the EU Financial Regulation and Rules of Application.

### Management and budget implementation tasks

- 3.14 The overall goal of the TEN-T Executive Agency was to achieve the general objectives linked to the European Community programmes for Trans-European Transport Network grants. The tasks of the TEN-T EA were specified in Articles 4 and 5 of the Act of Delegation (Commission Decision 2007/5282 of 5 November 2007 last amended by Commission Decision 2008/5538) and included two broad tasks:
- Management tasks; and
  - Budget implementation tasks.
- 3.15 Articles 4 and 5 of the amended Delegation Act describe the management and budget implementation tasks of the Agency in more detail:
- Management tasks:
    - Assistance to the Commission during the programming and selection phases of projects of common interest under the budget for the trans-European transport network;
    - Management of the monitoring phase of the financial aid granted to such projects, as well as carrying out the necessary checks to that end, including on the spot checks;

- Negotiation and preparation of the relevant decisions and their amendments, keeping the Commission closely informed;
  - Coordination with other Community financial instruments on a project by project basis, to ensure the coordination of the granting of financial aid, for all projects of common interest which also receive funding under the Structural Funds, the Cohesion Fund and from the European Investment Bank. Promotion of synergies with other Community Programmes, the Member States, international organisations and Joint Undertakings;
  - Technical assistance to project promoters regarding the financial engineering for projects and the development of common evaluation methods;
  - Adoption of the budget implementation instruments for revenue and expenditure and implementation, where the Commission has delegated responsibility to the Agency, of all operations required for the management of Community actions in the field of the trans-European transport network;
  - Collection, analysis and transmission to the Commission of all information required by the Commission for the implementation of the trans-European transport network, in particular carrying out studies and evaluations such as annual and/or mid-term evaluation of the implementation of the TEN-T programmes including necessary follow-up measures after prior agreement by the Commission;
  - Accompanying measures to contribute to the efficiency and effectiveness of the TEN-T programme in order to maximise its European added value, including promotion of the TEN-T programme to all parties concerned and the improvement of its visibility to the general public, in the Member States and bordering third countries. Such measures should encompass targeted awareness raising and promotion campaigns, including the organisation of TEN-T days, workshops and conferences, the publication of results and best practice, including the use of the electronic media for the preparation of press releases, guidance to potential applicants, brochures on success stories and annual reports, and the participation of representatives of the agency and/or the Commission at relevant events, such as the inauguration of transport infrastructure;
  - Assisting in the preparation of inter-service consultations within the Commission;
  - Contributing to the evaluation of the impact of the programme and to monitoring the actual effect of the measures on the market;
  - Preparing recommendations to the Commission on the implementation of the programme and its future development; and
  - Any technical and administrative support requested by the Commission.
- Budget implementation tasks:
    - Technical and financial analysis of all reports on the implementation of supported projects;
    - On-the spot controls;
    - Provision of administrative support/technical assistance to project promoters on all matters related to Community procedures;
    - If necessary, preparation of draft Commission decisions modifying decisions granting aid, as well as the provision of administrative support for the preparation and conduct of inter-service consultation. In the case of substantial changes, administrative support will also be provided for the consultation of the TEN Financial Assistance Committee;
    - Preparation, implementation and follow-up of ex-post audits;

- Execution of advance payments; and
- On the basis of an evaluation of the corresponding technical and financial reports, the Agency will execute intermediate and final payments.

3.16 In addition, a Memorandum of Understanding (MoU) on the cooperation between the Agency and DG TREN was signed in September 2009 to further clarify the working arrangements between the two entities to implement the Programme. It set out the general principles of co-operation and coordination in the performance of the Agency's tasks, the division of responsibilities and the methods of management between the Agency and DG TREN. In particular it clarified:

- The liaison persons at the Agency and DG TREN, their role and their respective tasks;
- What should be brought to the knowledge of the Management and what could be directly exchanged;
- IT systems to be used (including TENtec and the Commission's system for Accrual Based Accounting), ownership of these systems, responsibility for maintaining them and developing modules, etc.;
- Project selection procedures and involvement of both entities;
- Preparation of Commission Decisions for the funding of projects and eventual amendments: in the 2007-2013 Financing period, following the global Commission decision with the list of selected projects, the funding of individual projects was based on individual Commission decisions per project, rather than on Grant Agreements<sup>4</sup> (a legal contract between the beneficiary or beneficiaries and the relevant EC entity);
- Implementation of the Decisions;
- Participation and contribution of the Agency to evaluation studies as well as follow-up of actions on evaluations;
- Contribution to TEN-T Financial Assistance Committee Meetings;
- Procedures related to budget and finance;
- General administrative arrangements;
- Information and communication management;
- Meetings and reporting;
- Internal and external audits; and
- Business continuity.

3.17 In April 2013, another document complemented the working arrangements: Strategy for monitoring and supervision of the TEN-T Executive Agency.

### **Governance**

3.18 The TEN-T EA was managed by a Steering Committee and an Executive Director. All five members of the Steering Committee, as well as the Executive Director were appointed by the Commission. As per Council Regulation (EC) No. 58/2003, Steering Committee members are appointed for two years (renewable) whilst the Executive Director is appointed for four years (renewable). Steering Committee members came from DG MOVE (two members), DG ADMIN (one member), DG ENV (one member) and DG REGIO (one member). In addition, one observer from the EIB was nominated.

3.19 The Steering Committee met four times a year. It adopted the annual work programme comprising detailed objectives and performance indicators for the Agency, as well as an

<sup>4</sup> Under CEF, grant agreements are signed between the Agency and the beneficiaries will be used in place of these individual financing Decisions.

estimate of the yearly expenditure. The Steering Committee also decided on the organisation of the departments of the Executive Agency and was tasked with adopting measures against fraud and irregularities.

- 3.20 In addition, it was the responsibility of the Steering Committee to adopt and submit to the Commission an annual activity report together with financial and management information covering implementation of the operations corresponding to the TEN-T programme and the implementation of the administrative budget of the Agency.

#### **The Role of the Executive Director**

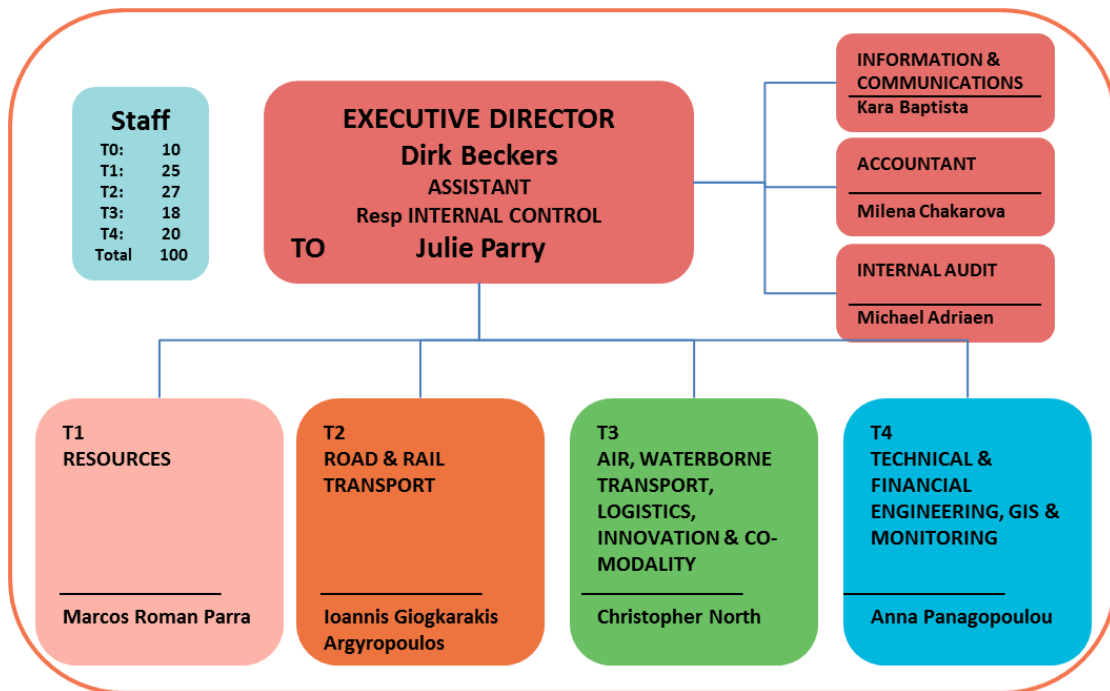
- 3.21 The role of the Director was key to the adequate functioning of the Agency. Council Regulation 58/2003 entrusts him/her with responsibility for the management of the Agency and gives him authority over its staff. The Director participates, without voting, in the work of the Steering Committee.
- 3.22 The Agency's Director acts as Authorising Officer for the administrative budget and Authorising Officer by delegation for the operational budget, and has delegated powers to the Heads of Unit who act as authorising officers by sub-delegation for payments. He also ensures that the annual work programme of the executive agency is implemented and is responsible for preparing and publishing the reports which the executive agency must present to the Commission.
- 3.23 In addition he is also responsible for all matters relating to personnel management within the executive agency, including concluding employment contracts. The Director also draws up the provisional statement of revenue and expenditure, and sets up management and internal control systems adapted to the tasks entrusted.

#### **Organisation of the Agency**

- 3.24 The Agency's organisational structure was initially adopted by the Steering Committee at its first meeting in October 2007 with the final minor amendment adopted in the last but one meeting in October 2013. Apart from very minor changes, the organizational structure of the Agency did not change between November 2011 and December 2013. It was organised according to the operational and horizontal objectives of the Agency with:
- Director's team (T0);
  - One horizontal unit: unit Resources (T1), responsible for financial management, human resources and logistics and document management;
  - Two operational units managing the implementation of the TEN-T programme: unit Road and Rail transport (T2), unit Air, Waterborne transport, Logistics, Innovation and co-modality (T3);
  - One technical assistance unit: Unit Technical and Financial engineering, GIS and Monitoring (T4).



Figure 3.1: TEN-T EA organisation chart as of end of 2013



Source: TEN-T Executive Agency Biennial Report 2011-2012

- 3.25 Unit T1 was responsible for Resources and was composed of four departments containing a total of 25 staff covering (i) Financial management, (ii) External audit, (iii) Human Resources and (iv) Logistics and document management. Its objectives consisted of providing high-level expertise, coordination of common issues concerning interpretation of the financial framework, verification of the legality and regularity of expenditures, and providing the operational units with the means to fulfil their commitments.
- 3.26 Unit T2 was responsible for the operational follow-up and project management of all road and rail projects, which can be either studies or works. T2 was in charge of most of the projects under TEN-T EA. The rail projects (high speed and conventional lines for freight and/or passenger, including the European Rail Traffic Management System (ERTMS)) represent the highest volume of TEN-T funding managed by the Agency (the majority of Priority projects are situated on railway corridors).
- 3.27 Unit T3 was responsible for the operational follow-up and project management of air transport, waterborne transport, logistics, innovation and co-modality projects.
- 3.28 T4's objective was to provide horizontal tasks/support as well as specific skills such as technical and financial engineering support, GIS and monitoring. The unit also managed the evaluation process of the proposals received and reported on the implementation of the Programme. Another task of the unit was the development for the Information Technology (IT) strategy and tools and IT support for the Agency. In addition, the Unit provided legal advice.
- 3.29 Independently of the 4 Heads of Unit, the Strategic Planning and Programming, Internal Control, and Information and Communication functions were attached directly to the office of the Agency's Director, along with the Accountant and the Internal Auditor.

3.30 The Director's team (T0) was directly responsible for a number of horizontal activities: Information and Communication, Accounting, Internal Control and Internal Audit. The small size and the simple organisational structure of the Agency allowed quick and direct lines of communication. Decision-making procedures followed the hierarchical structure and management meetings and unit meetings took place every week. The Agency has its own internal website for the diffusion of information, decisions and internal rules and procedures.

#### **Human Resources**

3.31 There were 100 staff in the agency as of 30th June 2013 as displayed in the Table below. There were three different categories of staff, each with a different status and employment conditions employed at the Agency:

- Permanent Officials seconded from the European Commission. This category of staff was made up of DG MOVE Policy Officers or Officials from other Directorate Generals. The total number of seconded officials was not permitted by legislation to exceed 33% of the total temporary staff but there had to be a minimum of at least 6 officials (in smaller agencies). The posts were either advertised within the European Commission or the Parent DG could nominate candidates. All '*postes de responsabilité*' which had responsibility for authorisation (e.g. Executive Director, Heads of Unit) were resourced with this category of staff.
- Temporary Agents were staff hired externally, usually hired for highly specialised jobs or temporary tasks, and who performed essentially the same kind of work as permanent Commission officials. Temporary Agent posts were classified in the same manner as European Commission officials' posts, i.e. the administrators' function group (AD) corresponding to technical, administrative, advisory, linguistic and scientific duties or the assistants' function group (AST) corresponding to executive, technical and clerical duties. Temporary Agent contracts were offered for two years plus one year with the possibility of renewal for an indefinite period. This differed from Temporary Agents working in the Commission who have a maximum contract length of six years. Temporary agents received the same salary, benefits and working conditions as permanent officials. During this period, approximately 33% of the Temporary Agents were seconded from the European Commission.
- Contract Agents were staff hired externally for a fixed-term contract. They were recruited from a pool of applicants who had successfully passed a selection procedure (named CAST) usually organised by the European Personnel Selection Office (EPSO). Unlike an open competition for Permanent Officials, there was no assessment-centre stage for CAST competitions and the number of successful candidates was not predefined. The last general CAST selection procedure took place in 2010. The initial contract for Contract Agents at the Agency ran for a maximum period of two years. It was then renewable for one year, and could then be converted into a contract of indefinite duration (unlike Contract Agents employed in the European Commission where there was a maximum contract length of six years). In the Agency, contract staff mainly comprised the financial officers and project managers, as well as all support staff. According to the guidelines, Contract Agents had to remain within a limit of 75% of the total staff across Executive Agencies. The salaries and benefits for Contract Agents are set out in the Staff Regulations and are lower than those of Permanent Officials or Temporary Agents.

3.32 The break-down of staff at the Agency is as follows:

**Table 3.1: Staff headcount (by 1<sup>st</sup> July of each year)**

Staff type	2011	2012	2013
Seconded from DG MOVE	7	7	7
Temporary	26	26	26
Contract	66	66	67
Total	98	99	100

**Table 3.2: Staff headcount (by 1<sup>st</sup> July of each year)**

Unit	Staff type	2011	2012	2013
T0	Seconded	1	1	1
	Temporary	6	6	6
	Contract	4	4	4
T1	Seconded	2	2	2
	Temporary	5	5	5
	Contract	16	17	19
T2	Seconded	2	2	2
	Temporary	6	6	6
	Contract	20	19	18
T3	Seconded	1	1	1
	Temporary	4	4	4
	Contract	13	13	13
T4	Seconded	1	1	1
	Temporary	5	5	5
	Contract	13	13	13

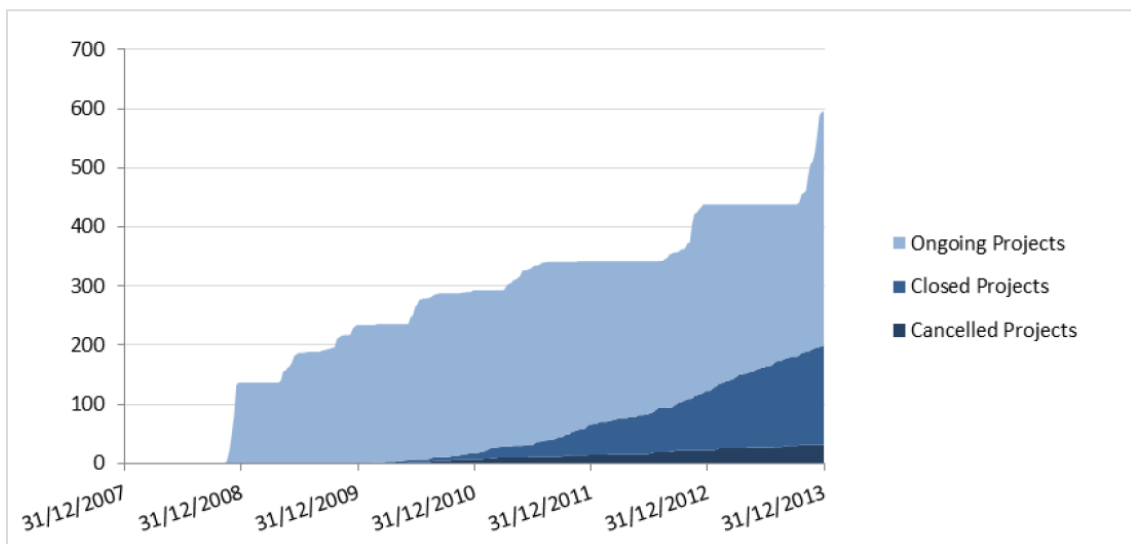
- 3.33 The Agency had to follow the same procedures as those applied by the Commission for the hiring of contract and temporary agents although the advertisements for Agency posts were published externally (e.g. on recruitment websites, social media, to the Permanent Representations of Member States etc.). During 2011 and 2012, the Agency received a derogation to recruit outside of the CAST lists if no member of the lists had the required skills. The Agency used this derogation to recruit contract agents to work in the areas of GIS (Geographic Information Systems) and financial engineering for instance.

3.34 Using a specific e-recruitment tool developed by the Agency, applicants were required to submit a CV and letter of introduction in addition to answering some screening questions. A committee was then established including the person responsible for the advertised post, an external expert, a representative of HR and a representative of the Staff Committee to recommend candidates to be called to the next stage of the recruitment process. The selection procedure for candidates consisted of two written tests and an interview, at which the Executive Director of the Agency was present. The recruitment procedure for each post took approximately two months. All unsuccessful interview candidates were provided with feedback within 10 days of the interview.

### The Agency between 2011 and 2013

3.35 The Agency operated under mature working conditions between 2011 and 2013. In 2011 and 2012, the Agency focussed on the execution of the Programme. After its initial set-up in 2008 and allowing for a few years to develop and mature, the Agency was well used to its tasks and its own procedures by 2011, its third-year of operation. A stakeholder described the Agency as working during these years at “*cruising speed*”. The budget execution for the TEN-T Programme included two major events each year: the annual calls and the submission of the ASRs due from the beneficiaries by 31 March each year.

Figure 3.2: Project portfolio of the TEN-T Programme 2007-2013 managed by the Agency

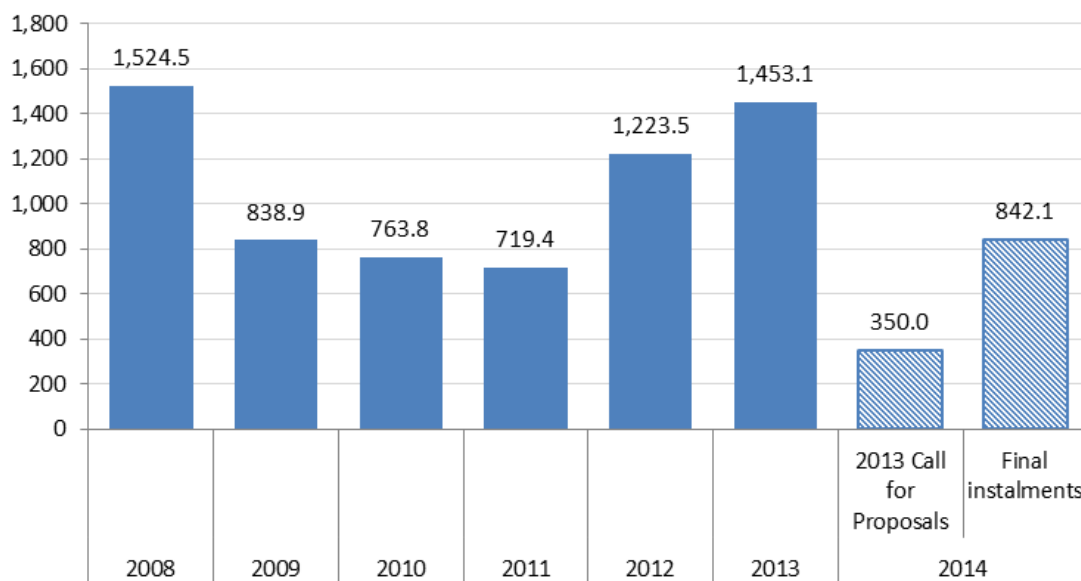


3.36 In 2011, the timely examination and execution of payments and follow-up of commitments and de-commitments remained a priority: beneficiaries were encouraged to present their cost claims and the requested additional reports on time.

3.37 In October 2010, the report into the Mid-term Review of the 2007-2013 TEN-T Multi Annual Work Programme Project Portfolio (MAP Review) had been published. It examined the first phase of operations in the years 2007 to 2009 and assessed projects individually. As a result of this report it was decided that all projects be given a deadline for implementation until 31/12/2015. As a consequence, the funding Decisions for some projects that were underperforming or that would expect very significant delays were amended. These amendments included in some cases a reduction of the allocated EU contribution (through application of the “use it or lose it” principle).

- 3.38 Following the mid-term review, the Agency followed the project implementation very closely. The decreased speed of project implementation in combination with a strict deadline of implementation by the 31/12/2015 put the budget implementation at stake while reducing the financial means at the beneficiaries' disposal to achieve project targets. As a result, in order to optimise the overall TEN-T Programme implementation, the Agency initiated in 2012 a significant number of amendments reducing the EU contribution allocated to projects. The 2012 call was delayed until the end of the year in order to allow for a maximum re-injection of budget (€ 1.6 billion) and the subsequent Decisions were negotiated in 2013.
- 3.39 Following the 2013 ASR exercise, some amendments were initiated by the Agency resulting in a last re-injection through a Call launched in December 2013 and concluded in 2014 (for €350 million) as illustrated below with final commitments for on-going projects amounting to €842 million.

Figure 3.3: Amount of individualised commitments (€ million) per financial year



Source: 2013 Annual Report of the Agency

- 3.40 2013 was also a year of transition where staff worked towards the future organisation and expanded mandate of the future Agency. In addition to its regular tasks, the Agency management team became involved in discussions related to the possible future extension of the Agency and its ultimate transformation into INEA with an enlarged mandate, responsibilities and an increase in Parent DGs from one to four.
- 3.41 The specific annual objectives of the Agency are presented below. They reflect the focus of the years explained just above.

Table 3.3: Annual objectives of the Agency

Year	Operational objectives	Horizontal objectives
2011	Support the completion of TEN-T infrastructure by the effective and efficient technical and financial management of the TEN-T Programme and projects, putting into evidence the added value and expertise of the Agency.	-

Year	Operational objectives	Horizontal objectives
2011	Support, in particular, the development and deployment of intelligent transport infrastructure throughout the TEN-T.	-
2012	Continued support for the completion of TEN-T infrastructure by the effective and efficient technical and financial management of the TEN-T Programme and projects, demonstrating the added value and expertise of the Agency.	-
2012	Support in particular the development of a smart funding strategy for infrastructure.	-
2013	Effective and efficient technical and financial management of the TEN-T Programme and projects and an efficient internal organisation, demonstrating the added value and expertise of the Agency, and supporting the implementation of the priority projects and completion of TEN-T infrastructure.	Implementation of the anti-fraud strategy
2013	Support to the Commission in its priority to attract private investment to transport infrastructure by its on-going cooperation with other services concerned with the financing of transport infrastructure, and contribution to the development of innovative financial instruments	-
2013	Preparation of the implementation of the next financial perspective, including the preparation of the delegation of the 2014-2020 EU programmes to the executive agencies and extension of the TEN-T EA mandate, and the future implementation of the CEF	-

Source: Steer Davies Gleave analysis

## 4 Findings of the evaluation

### Introduction

- 4.1 In this section we present our findings based on the analysis of data and stakeholder interviews conducted. We have listed all the evaluation questions that the Terms of Reference required to be considered and present our findings below for each of them.

### Relevance

**Does the nature and range of responsibilities entrusted to the Executive Agency still justify the outsourcing of the concerned tasks? What lessons, drawn from the delegation of these tasks could be useful for the implementation of future EU activities?**

- 4.2 Relevance is the extent to which an intervention's objectives are pertinent to the needs, problems and issues addressed. In the context of the Agency, assessing the relevance of the Agency can also be defined as assessing whether there is still a strong justification to outsource the tasks and responsibilities entrusted to the Agency.
- 4.3 We have presented and described in Chapter 3 the responsibilities given to the Agency (paragraph 3.11) as well as the nature of the tasks (paragraph 3.14). We observe that during the evaluation period, there has been no change to the areas of responsibilities and tasks defined by the Delegation Act, providing a stable operating environment.
- 4.4 The Steering Committee, whose role and composition is described in Chapter 3, paragraph 3.18, ensured that the Agency complied with the responsibilities entrusted by Commission Decision of 11 July 2008 and tasks defined in the Act of Delegation (Council Regulation 58/2003). We examined all the minutes from the Steering Committee meetings available to us which all allowed us to infer that the Agency complied with its responsibilities.
- 4.5 We considered whether outsourcing the management of the TEN-T Programme to the Agency was justified. Regulation (EC) 58/2003 describes the tasks that can be outsourced. Article 6 states that “the Commission may entrust an executive agency with any tasks required to implement a Community programme, with the exception of tasks requiring discretionary powers in translating political choices into action”. The tasks that may be entrusted to an Agency include “management of some or all life-cycle phases of a project, adopting relevant

Decisions using powers delegated by the Commission, adopting the instruments of budget implementation, awarding of contracts and grants, gathering, analysing and transmitting to the Commission all the information needed to guide the implementation of a Community programme". The 2009 special report by the Court of Auditors did not *stricto sensu* test the relevance of the Executive Agencies, but spelled out the essential factors on which an assessment of outsourcing to an Agency should be based on:

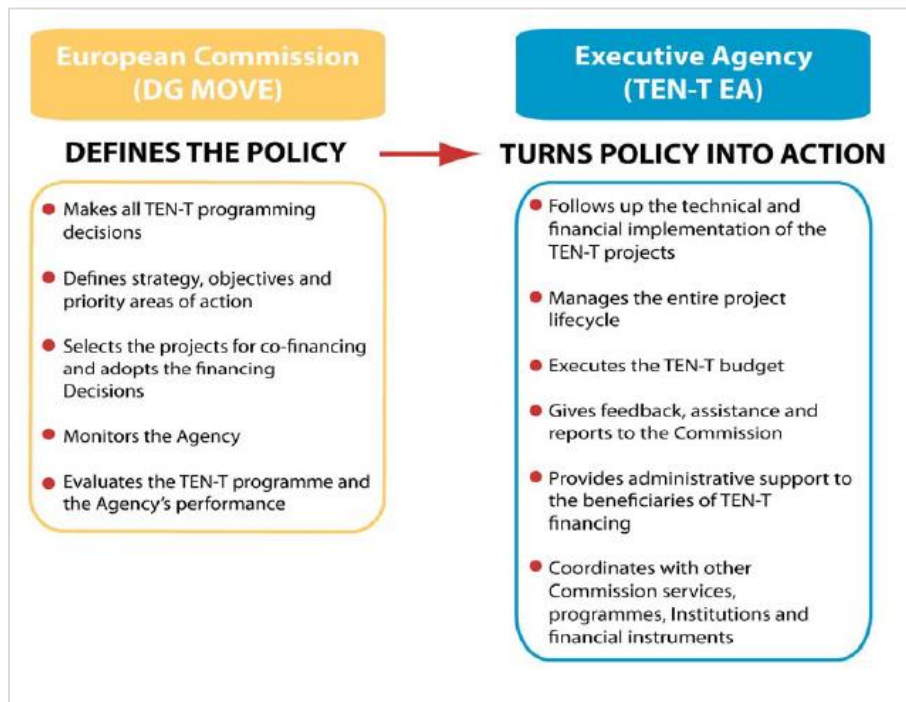
- The need for the Commission to focus on legislative and strategic tasks in policy formulation and monitoring, including those connected with Community programmes;
- A clear separation between policy programming (the Commission's core business) and implementation of technical projects, where no discretionary powers implying political choices are involved;
- A need for a high level of technical and financial expertise throughout the project cycle;
- The possibility of economies of scale through a high level of specialisation or the regrouping of similar programmes or activities within one agency; and
- The need to carry out certain activities with increased visibility.

4.6 We examined in turn the points mentioned in the list above. Regarding the first point that is "the need for the Commission to focus on legislative and strategic tasks", there is no doubt that there was a strong requirement during the evaluation period for the Commission to focus on this role. The period between April 2011 and December 2013 was a significant time for DG MOVE with a very large and demanding legislative and strategic work from the Units in charge related to the drafting and negotiations of CEF. Heads of Unit from the Commission that were interviewed fully agreed with this view.

4.7 We also examined the second point that is whether there was "a clear separation between policy programming and implementation of technical projects". The information displayed in Chapter 3 regarding the structure of the Agency and its organisation shows that, in principle there was a clear separation between the policy activities of DG MOVE and the implementation of technical projects as illustrated on this chart.



Figure 4.1: Repartition of tasks between the Agency and DG MOVE



Source: TEN-T Executive Agency

- 4.8 The majority of stakeholders felt that there was no cross-over between the two entities and recognised that the Agency had been a very good support tool to DG MOVE. A staff member from the Commission felt that the Agency was “at times too political”. We recognise that in a limited number of specific cases, there is a degree of appreciation about what an individual may consider policy work and what they may consider as being related to Programme implementation. In addition, the former policy background of the senior management of the Agency, as well as their previous involvement (in most cases) with the TEN-T Programme in DG MOVE means that there would always be a lot of interest as well as a lot of support and cooperation with DG MOVE to ensure adequate achievement of TEN-T policy goals. We reviewed Steering Committee minutes, and the Joint Management Meeting minutes and did not identify any specific mention of an issue which was in conflict with this objective being achieved.
- 4.9 We considered the third point on “the need for a high level of technical and financial expertise” and started by examining the organigram of the Agency between 2011 and 2013 which confirmed the need for a number of very specialised roles, including IT and GIS specialists, statistical managers, and evaluation managers. In addition, there was also a need for financial engineering specialists: although the vast majority of financing provided by the Agency was grant co-funding, an objective of the Agency related to facilitating the private sector's involvement in project finance, identifying projects with sufficient financial profitability to be attractive to the private sector and establishing a Public Private Partnerships (PPP) project pipeline. The Agency established the financial engineering section to provide support, advice and expertise in the area of project finance, including the promotion of PPP and improved coordination -at project level - of the other EU institutions involved in financing and monitoring TEN-T projects in 2009. This required specialist skills until the end of 2013 in order to adequately facilitate the implementation of projects with financial engineering from

non-TEN-T sources, such as the EIB, banks or other financing mechanisms such as EPEC (European Public-Private Partnership Expertise Centre).

- 4.10 We looked at the fourth point on “the possibility of economies of scale through a high level of specialisation or the regrouping of similar programmes or activities within one agency”. Compared to the DG TREN/MOVE option, the Agency has provided economies of scale by focussing on project management and financial management of the Programme. Because its structure is geared solely towards these roles, the Agency has been able to concentrate the efforts of a dedicated team (with specialist skills) on the TEN-T Programme. There is a clear mandate for the Agency and its staff and there is no risk that they have to keep switching their focus between Programme implementation and policy tasks as was the case in the past within DG TREN. In addition, the Agency has had more flexibility on recruitment than DG TREN/MOVE which has allowed the agency to recruit the relevant specialist staff (as explained in Chapter 3, paragraph 3.31).
- 4.11 We then examined the last point related to increased visibility. Between 2011 and 2013, the Agency ensured there was transparency and high visibility of the TEN-T Programme and of the actions of both DG MOVE and the Agency in implementing the TEN-T network. The website of the Agency (<http://tentea.ec.europa.eu/en/home/>) contained a significant amount of material related to the TEN-T Programme: project by project information (description, timeline summary, map, funding and co-funding rates), Priority Projects, overall maps, summary of information in statistical formats, etc. It also explained that policy material related to the TEN-T Programme could be found on DG MOVE’s website.
- 4.12 Following the transformation of the TEN-T Executive Agency into INEA, the TEN-T EA website is no longer available in the form it used to be. However, many of the positive attributes of the TEN-T EA website have been incorporated into the INEA website (<http://inea.ec.europa.eu>) including its simple navigation process, detailed information about the Programme and projects under management, information about organisation of the Agency, job opportunities, contact points, and press releases.
- 4.13 Beyond the professional looking website, actions of the Agency that contributed to enhanced visibility of the Programme included:
- Organisation, in close cooperation with DG MOVE, of Info-days to explain to possible beneficiaries the process for the calls. Beneficiaries and Member States commented that this was valuable particularly for first time bidders;
  - Organisation of annual project management workshops with beneficiaries and the Good Practice Working Group. The results of these actions were evaluated through a stakeholder questionnaire which gave both positive feedback as well as useful information for the Agency. Some changes were also implemented as a result of the discussions, for instance in the layout of ASRs;
  - Pro-active use of social media tools to promote the Programme, including liaison with the Transport Commissioner's social media management team; and
  - Production of good quality graphic and communication materials: leaflets, info-graphics, press releases, etc. This material was also used by DG MOVE.
- 4.14 Finally, assessing whether it is justified to outsource tasks implicitly requires assessing if outsourcing can be provided cost effectively. We have considered this point in a lot more detail with the results of this assessment presented in paragraph 4.140 of this Chapter. This

shows that the externalisation option was cost effective and provided better value than an internalised option.

- 4.15 There is no doubt that the delegation to the Executive agency worked well, because there was a clear definition of roles and responsibilities with the Parent DG. We found that the division was clear for all staff and external stakeholders consulted. The role of Director of the Agency was also central to the success with a significant amount of responsibilities, and providing impetus to the effective work of the Agency requiring strong leadership skills. All European staff interviewed (including members of the Steering Committee) confirmed that the Director in charge of the Agency at the time was particularly proactive and drove an excellent implementation of the Programme.
- 4.16 In addition to the formal requirement related to the delegation of tasks, there was also a good and close work relationship between DG MOVE and Agency staff, at all levels, and to an extent between hierarchical levels (this is detailed further in paragraph 4.89). This resulted in short reaction times between entities and a collaborative spirit rather than a competitive behaviour.

*Conclusions*

- 4.17 The previous evaluation of the Agency concluded in 2011 that “the TEN-T Programme was well suited to have its management tasks outsourced to an executive Agency”. We also reached this view based on the assessment performed above. We have been unable to find a single European institution staff out of the 24 interviewed who disagreed with the case for externalisation to the Agency, apart from one who thought that DG MOVE could possibly have been organised differently to allow for an internal option. Whilst it is true that DG MOVE could have been given more resources and organised differently, the cost-effectiveness of this option would not have been as good as the external case.
- 4.18 The view that the Agency remained relevant between 2011 and 2013 was also implicitly endorsed by the Cost Benefit Analysis for the delegation of certain tasks regarding the implementation of Union Programmes 2014-2020 undertaken in 2013.
- 4.19 Lessons learnt for future delegation tasks include a clear and good delegation framework, as well as the establishment and nurturing of good staff relationships between Parent DGs and Agencies.

**Effectiveness (the extent to which the appointment of the Agency achieved the objectives of the intervention)**

**Is the division of responsibilities and tasks between the Agency and the Commission clear and appropriate? To what extent is the coordination between the Executive Agency and the Commission services (including the parent DG, relevant horizontal services and offices) working satisfactorily?**

- 4.20 The division of responsibilities between DG MOVE and the Agency is described in the previous Chapter in paragraph 3.11.
- 4.21 We have found that the responsibilities of the Agency were carefully defined, resulting in a clear understanding of the division of tasks and responsibilities between the two entities. The Memorandum of Understanding (MoU) of 2009 in particular is explicit about the tasks of the Agency and the interaction required between both entities. A small number of stakeholders declared that even though the division of tasks was very clear, they felt that in some cases there may have been some limited overlaps in responsibilities across DG MOVE and the

Agency. They recognised that it was probably inevitable that in some cases staff from the Agency may also have an interest in policy work.

- 4.22 The division of tasks and responsibilities between the two entities was designed at the time of the creation of the Agency. All DG MOVE and Agency staff interviewed confirmed that the division of tasks between the two entities over the 2011 to 2013 period remained appropriate. They described the division in broad terms as DG MOVE focussing on policy aspects of the Programme and the Agency focussing on Programme execution and implementation. Both groups of staff have highlighted that as a result of the clarity in division of the work they were both able to focus on their tasks.
- 4.23 The coordination between the Agency and DG MOVE is detailed in paragraph 4.89. We have found that the coordination between the two entities was very effective. Other Commission services involved with the Agency included other Directorates General (mainly DG ENV and DG REGIO); horizontal services and offices such as DG BUDG, EPSO etc.
- 4.24 The cooperation with other Directorates General was mainly driven by the multi annual and annual calls. The Agency’s 2012 annual report remarked that the 2011 call “*involved considerable consultation with DG Budget and DG Environment while other EU institutions including EMSA, EACI, ERA and EIB provided external experts to assist in the evaluation of proposals*”. In addition, relationships with DG REGIO improved “*through the joint working group established to discuss public procurement issues as well as through a joint commitment to the work of EPEC*”. Officials interviewed from DG Environment and DG REGIO confirmed that the cooperation with the Agency had been good, but we should note that the Officials interviewed from DG REGIO only had limited interaction with the Agency.

At least two Agency officers also expressed frustration at the Agency being obliged to use the Commission’s Horizontal services in some cases (for IT systems or some HR functions for instance) whilst also incurring a charge for these services.

*Conclusion*

4.25 With regard to the division of responsibilities and tasks between the Agency and the Commission, we did not find any overlap related to the implementation of the Programme. Tasks and roles were clear and appropriate for both organisations. We have found that the cooperation and coordination between the two entities worked well.

**To what extent has the Executive Agency achieved its objectives related to (a) the TEN-T programme, (b) the communication work plan, (c) the management of financial resources, (d) the staff and (e) the internal control system? What, if anything, could be done to render the Executive Agency more effective in achieving these objectives?**

*(a) Objectives related to the TEN-T Programme*

- 4.26 The main mission of the TEN-T Executive Agency was to support the Commission and TEN-T project managers and promoters in ensuring the efficient and transparent technical and financial management of the TEN-T projects in all transport modes throughout the entire project lifecycle, and executing the programme's budget and specific tasks. It is clear from the review of Annual Activity reports of the Agency as well as interviews with staff from the Agency and from DG MOVE that the Agency focussed and achieved its operational objectives related to the TEN-T Programme (listed in Table 3.3). These objectives cover three broad areas:

- Work towards a highly efficient and high quality implementation of the TEN-T programme;

- Ensure an efficient execution of the annual budgets; and
- Organise the Multi-Annual and annual Calls and the evaluation of the submitted proposals.

4.27 The table below shows the achievement of all the key KPIs by the Agency between 2011 and 2013. We also cover in more detail in paragraph 4.38 below the execution of the operational and administrative budgets each year.

**Table 4.1: Most relevant key performance indicators**

KPIs		2009	2010	2011	2012	2013
Percentage of execution of C1 commitments	Achieved	100%	100%	100%	100%	100%
	Target	100%	100%	100%	100%	100%
Percentage of payment execution of C1 commitments	Achieved	100%	100%	100%	100%	100%
	Target	100%	100%	100%	100%	100%
Time to grant <sup>5</sup>	Achieved	12 months	10 months	8.7 months	8.1 months	8.0 months
	Target	9 months	9 months	9 months	9 months	9 months
Net time to pay	Achieved	30.8 days	16.1 days	13.3 days	11.7 days	11.2 days
	Target	20 days	20 days	20 days	20 days	20 days
Ex-post control residual error rate (2007-2013 Programme)	Achieved	N/A	N/A	1.3%	1.1%	0.9%
	Target	2%	2%	2%	2%	2%

Source: Steer Davies Gleave analysis of Agency's documents.

Note: C1 refers to annual appropriations.

4.28 Each year, the Agency launched calls for proposals in the established areas of priorities and organised the evaluation of the proposals received. This was a large and high profile task, as there had been some issues in the past related to selection of projects lacking in maturity. Usually the calls were launched in November or December of the previous year with a deadline for the end of February or mid-March. During this period Info-days were organised. All proposals received were first examined by Agency staff to ensure that only eligible proposals in conformity with the Call texts and requested documentation could be independently evaluated. The evaluation and selection process was carried out in two steps:

1. An external evaluation of proposals was organised by the TEN-T Executive Agency, whereby the technical appraisal of each proposal against four blocks of award criteria (relevance, maturity, impact and quality) was made individually by at least three external experts. These experts then discussed each proposal and agreed on a consensus recommendation for or against funding and on a score for each of the four blocks of criteria, without taking into consideration budgetary constraints; and

<sup>5</sup> Defined as the time from the Call closure until the adoption of the individual Decisions

2. An internal evaluation panel, chaired by the Directorate-General for Mobility and Transport, with representatives of the Directorate-General for Environment and Regional Policy and the participation of the TEN-T Executive Agency, reviewed each proposal on the basis of the policy-related criteria mentioned in the ‘final selection process’ section of the call texts, including EU added value, TEN-T objectives and priorities, budgetary constraints, compliance with EU environmental law, programming under the European Structural and Investment Funds and the need to adjust certain costs or activities.

4.29 The table below illustrates the number of proposals received in 2012 for the MAP and the annual call and the subsequent selection.

**Table 4.2: 2012 call for proposals evaluation result**

Call	Indicative budget €M	Eligible proposals			External Evaluation			Result of evaluation	
		Proposals	Requested funding, €M	Over subscription rate	Recommended proposals	Requested funding, €M	Recommended funding, €M	Selected proposals	Maximum funding, €M
MAP	1347	189	5727	4.25	134	5249	4311	89	1348
AC	250	164	524	2.10	90	304	270	83	247

Source: Steer Davies Gleave analysis of Agency’s documents

4.30 In addition, the Agency also supported the Commission in attracting private investment to transport infrastructure projects. The Agency was also responsible for the sound financial management of the TEN-T budget contribution to certain EU/EIB financial instruments: the Loan Guarantee Instrument and the pilot phase of the Project Bond Initiative. The Agency performed a number of actions in order to achieve this objective, such as:

- Identify proposals with activities related to PPP funding;
- Develop guidance on the combining of EU grants with PPPs and on PPP planning;
- Set-up a PPP helpdesk;
- Present support available to Cohesion Member States to develop a PPP project pipeline;
- Produce a brochure on the role of financial engineering at the Agency, which was extensively disseminated to beneficiaries and project promoters;
- Organise PPP workshops on financial engineering;
- Raise internal awareness of private sector finance initiatives through the intranet and a newsletter;
- Participation in ex-post evaluation of financial instruments (such as Marguerite Fund); and
- Meet with private sector promoters.

4.31 In spite of all these actions, it remained difficult to ensure that enough support to Public Private Partnerships (PPPs) and innovative financial instruments could be secured. In 2012 for instance, an indicative budget of €25 million had been provisioned towards these proposals in the annual call, but only 5 proposals were received for a total of €7.8 million (31% of the indicative budget) which resulted in 3 projects effectively being selected by DG MOVE for a combined total of €5.8 million. In 2011, the same situation had occurred with only €5.6 million allocated against a possible budget of €15 million.

4.32 In 2013, it was decided that the objectives related to supporting innovative financial instruments and PPPs would be removed from the remit of INEA and be managed by DG

MOVE directly. We understand that this happened because cascading of financial responsibilities (from DG MOVE to the EIB through the Agency) was not authorised in the 2012 Financial Regulation. It should also be highlighted that the processes related to financial instruments are very different from those related to co-funding involving for instance the European Investment Bank. One stakeholder thought that there was a degree of competition in terms of achieving an adequate pipeline of grants and a pipeline of PPPs, and it made more sense to allow the Agency to focus on grants solely.

*(b) Objectives related to the communication work plan*

- 4.33 The communications of the Agency were targeted at three main groups: Parent DG (i.e. DG MOVE) and other Commission services; beneficiaries and Member States; and internal communications.
- 4.34 The communication flows between the Agency and DG MOVE are presented in detail in Table 4.3 below. All staff from DG MOVE and the Agency commented that the Communication of the Agency was good and effective. The Agency also liaised with DG Budget and DG Environment repeatedly during calls for proposal and subsequent evaluation as well as with other EU institutions including EMSA, EACI, ERA and EIB. From 2011, the Agency developed increased communication flows with DG REGIO which led to the Agency being present at the Open Days organised by DG REGIO/Committee of the Regions in 2012. Increased dialogue and cooperation was further developed with DG REGIO through the joint working group established to discuss public procurement issues as well as through a joint commitment to the work of EPEC.
- 4.35 For beneficiaries, Member States and the general public, the communication plan was organised mainly through the Agency's external website which was the prime tool to provide transparency and dissemination of information, both about the Agency and TEN-T programme implementation itself. A survey of beneficiaries on the site in February 2011 gathered positive feedback on the site's design, structure and content. E-mail updates were also sent to beneficiaries informing them of key news and events. The Agency was also active with press releases:
- In 2011, 53 press releases in 14 different languages were issued by the Agency via the Commission's press contacts and its own specialised transport database.
  - In 2012, 37 press releases were issued in 20 languages and a further 53 in 2013.
- 4.36 The Agency added a Twitter feed to its website to provide real-time news and information to journalists and followers in 2012. The Agency was also an exhibitor at the TEN-T Days conference. It held TEN-T Project Management Workshops as well as Calls for Proposals Info Day events with hundreds of participants at each event and received very positive feedback on the structure, content and running of the events. The Agency also developed a number of models and guidelines (templates) to ensure more coherent and transparent communication with beneficiaries. The Agency revised its visual identity in order to be in line with that of the Commission. In 2013, the Agency also developed an External Communication Strategy to inform stakeholders of future changes, and attract future stakeholders to inform them about working methods. Interviews with stakeholders have confirmed that they were satisfied with the communication steps undertaken by the Agency, with one of them highlighting that he was very satisfied with the web-based system in place during the Info-days for meeting attendees who could not come in person to Brussels.

4.37 Internal communications included an intranet, staff communication and regular meetings, including meetings between a selection of staff and the Director. Many Agency staff described the working *ambiance* of the Agency as that of a large family where everyone knew everyone.

*(c) Objectives related to the management of financial resources*

4.38 We have considered here the management of the operational budget for the TEN-T Programme as well as the management of the administrative budget (related to the running of the Agency).

4.39 **Operational budget:** the table below summarises key figures for the Agency’s operational budget management.

**Table 4.3: Operational budget key figures**

	2011	2012	2013
Operational budget commitment appropriations (C1)	€1,178 million	€1,275 million	€1,410 million
Operational budget commitment execution (C1)	€1,178 million	€1,275 million	€1,410 million
Percentage of execution of C1 commitments	100%	100%	100%
Operational payments appropriations	€734 million	€732 million	€681 million
Operational payments execution	€734 million	€732 million	€681 million
Percentage of execution of payments	100%	100%	100%
Number of operational payments	484	380	320
Net time to pay	13.3 days	11.7 days	11.2 days
Payments on time	98.1%	99.5%	99.1%
Gross time to pay (for interim and final payments)	97.9 days	80.7 days	79.4 days

Source: Steer Davies Gleave analysis of Agency’s documents

4.40 The rate of execution achieved was consistently very high. This was despite a challenging environment for project implementation in the Member States, particularly in 2011 which coincided with general challenges to projects following the financial crisis. Close monitoring of all potential payments, as well as Agency action to encourage and support beneficiaries in presenting their cost claims and the requested additional reports on time ensured that this objective was met.

4.41 Payment performance continued to improve between 2011 and 2013 (and compared to the previous evaluation period), with an average time to pay of 11 days, well below Commission’s objective of 20 days.

4.42 Ex-ante controls were also carried out every year and costs declared by the beneficiaries were examined. In 2013 for instance, €3.1 billion of costs were declared, of which, €873 million were sampled, leading to the rejection of €136 million of costs. This represents a sampling



rate of 28.3% and a rejection rate of 4.4%. Costs were rejected mainly for two reasons: either project objectives were not fully reached or shortcomings in compliance with the procurement Directive by beneficiaries were detected.

- 4.43 The detected multi-annual residual error rate resulting from ex-post analysis carried out every year remained well under the target set for the Agency at 2%, as illustrated below.

**Table 4.4: Multi-annual residual error rate**

	2011	2012	2013
2000-2006 Programme	1.1%	1.2%	1.1%
2007-2013 Programme	1.3%	1.1%	0.9%
Target for both Programmes	2%	2%	2%

Source: Steer Davies Gleave analysis of Agency's documents

- 4.44 **Administrative budget:** the administrative budget of the Agency in 2013 was €10.1 million or 1.4% of the total budget managed in 2013, a slight increase compared to 2012 where it represented 1.1%. Other key indicators related to the administrative budget of the Agency are presented below.

**Table 4.5: Administrative budget key figures**

	2011	2012	2013
Administrative budget (C1 commitment credits)	€9,900,000	€9,805,000	€9,805,000
Change year on year	-	-1%	0%
Execution in commitments in year n	96.1%	98%	99.8%
Budgetary outturn	95%	96.5%	98.7%
Administrative payments (on C1 and C8 credits)	€10.0 million	€8.8 million	€10.1 million
Share of administrative payments as a share of TEN-T Programme payments in year	1.0%	1.1%	1.4%
Net time to pay	12.9 days	9.7 days	11.4 days

Source: Steer Davies Gleave analysis of Agency's documents

- 4.45 The administrative budget for 2012 was reduced by 1% compared to the 2011 budget, even though the staff levels and responsibilities of the Agencies remained at the same level. The budget did not increase in 2013 in the context of annual objectives of the Agency which were expanded to include the work associated with the extension of the Agency.
- 4.46 The Agency managed to optimise their annual administrative budget implementation whilst respecting the principle of sound financial management. For instance it reallocated funds within a given financial year between administrative budget lines in order to better tailor its

services (under the authority of the Steering Committee). In late 2012, the agency anticipated budgetary reduction imposed by the Budgetary Authority for 2013, and as a result decided to anticipate future expenditure in 2012 whilst it still could.

- 4.47 The rate of commitment execution was also high, taking into account the nature of the costs and shows a good performance in monitoring the administrative budget. The rate of carried over amounts also decreased from 14% in 2012 to 10% by 2013.
- 4.48 An analysis of the certified Annual Accounts shows that the Agency staff looked for cost-savings and efficiencies: for instance only 62% of the provisions for building charges were used in 2013 (respectively 56% in 2012 and 88% in 2011). The same applied to the overheads with an overall spend of 73.2% only of the infrastructure and operating expenditures provisioned budget in 2013 (respectively 62% in 2012 and 84% in 2011).
- 4.49 In addition, the Agency received positive performance assessments by the IAC/IAS in their reports which expressed the opinion that the internal control system in place provided reasonable assurance regarding the achievement of the business objectives set up for the processes audited.
- (d) Objectives related to the staff*
- 4.50 A tough but transparent recruitment process was put in place with all positions published on the Agency website and other Commission sites. Some specialist positions were also advertised through specialised channels. The Agency went beyond what was required by Commission rules and selected its staff carefully, but also quickly (the average recruitment procedure took 2 months). Whereas some other Agencies may call candidates from CAST lists, the Agency wanted only interested and adequately skilled staff to apply to its positions. After interested candidates had completed two written tests, the Director attended an interview with each of them in addition to the HR Committee. HR also introduced exit interviews for staff leaving the Agency and systematically provided feedback to the applicants.
- 4.51 In 2011 and 2012 staffing levels of the Agency were at 99 staff against a total planned number of 100. Additional activities for 2013 resulting from the preparations for the extension of the Agency's mandate meant a significant increase in workload for certain staff, with no additional resources.
- 4.52 Staff performance was evaluated against individual annual objectives, consistent with the Agency's overall objectives. Training was offered to develop the skills necessary to achieve the objectives. Training was provided by DG HR, as well as in house.
- 4.53 Limited career progression opportunities for contract and temporary staff were an issue in the Agency. As explained in paragraph 3.31, there is limited career progression for these staff as they cannot be given increased responsibilities as their status does not permit this. There is no automatic transfer between staff categories. Staff can, however, take part in the European Entrance competition to become established officials and we note that some did. However this does require a significant amount of work in addition to the day job and the level of competition for this process is extremely high. The move from temporary agent to seconded official is also not possible without passing a competition. Unless staff do succeed in a further European competition, once at the highest level within their categories, staff cannot expect to be promoted or have increased responsibilities regardless of their skills and motivation for the job.

- 4.54 Some of the Agency's staff successfully undertook Commission competitions, which led to a high staff turnover since they would then move to work within the Commission itself (10% in 2011, 9% in 2012 and 13% in 2013). This meant that regular publication and promotion of vacancies were required (11 publications in 2011 for example). Nevertheless, the Agency established good forward planning, and vacant positions were quickly covered by reserve lists. Therefore, the Agency remained under the 5% average vacancy rate of available posts throughout 2011: with a 3% vacancy rate for the last 6 months of 2011, and 2% for 2012 and 2013.
- 4.55 The Agency also had an internal mobility policy focussing on trying to open new opportunities for staff within the legal HR limitations imposed to Executive Agencies: in the period 2011 to 2013, four staff made an internal move by successfully applying to publications that were opened internally. Additionally, in view of the extension of TEN-T EA to INEA, the Agency launched a dedicated call for expression of interest. Out of the 15 staff which applied, a total of five internal moves took place. The Agency also tried to ensure a high level of motivation from its staff, and organised "away-days" as well as team building events. A workload survey was also carried out in 2013. Based on the findings of the survey, a number of actions were launched to ensure an effective organisational structure.
- 4.56 In 2013, the Agency focussed specifically on staff issues, aware of the need to manage change for its staff as carefully as possible in the face of a change in tasks and size of the Agency. Staff evaluation and development for example were prioritised as the environment and objectives of the Agency were anticipated to significantly change in the near future. The Agency felt that staff should be prepared (trained if necessary) and motivated for future needs. Its Director also informed staff very regularly of the possible changes to come in view of the establishment of the future INEA.
- (e) Objectives related to internal control system*
- 4.57 The Agency's financial flow and segregation of duties are based on the Commission's model 2: "the partially de-centralised circuit". This was established along with the management and accounting systems, procedures, internal controls, reporting structures and control functions in line with the requirements of the Financial Regulations and DG MOVE's internal Manual of Procedures. The TEN-T EA also established its own manual of contractual and financial procedures that was revised annually.
- 4.58 The Agency's Internal Audit Capability undertook the internal auditing of the procedures, and the Agency's Accountant and DG BUDG validated and reviewed the financial system. Ex-post controls were performed by both auditors of the Agency and an external provider. The Agency also applied the 16 Internal Controls Standards (ICS) for Effective Management, including ICS 15 which required that the Agency assessed the effectiveness of its key internal control systems, at least annually.
- 4.59 In 2012 a more comprehensive exercise reviewing the effectiveness of the Agency's entire internal control system was carried out. The overall assessment was complimentary and positive as reported in the 2012 Annual Activity Report which concluded that there was evidence that the internal control system was implemented effectively at the Agency.
- 4.60 During the reference period the Agency was also audited by the European Court of Auditors in three areas:
- the administrative budget and the preparation of the annual accounts;
  - the Declarations of Assurance (DAS) for 2011, 2012 and 2013; and

- special audits (ongoing).

- 4.61 The audits on the 2011, 2012 and 2013 annual accounts concluded that the accounts were prepared according to the established rules and procedures and the transactions were legal and regular. The Court issued positive opinions with no reservations on them. Whilst auditing projects for the annual Declarations of Assurance, the Court made some observations and preliminary findings. The Agency accepted certain recommendations but did not agree in other cases stating that for cost-efficiency reasons ex-ante controls could not be as exhaustive as those conducted during an ex-post audit like those performed by the Court of Auditors. The Court of Auditors reported in its annual report on the financial year 2012, that no reservations were made in the AAR of DG MOVE in relation to non-compliance with EU and national public procurement rules for the TEN-T programme.
- 4.62 During the 2011-2013 period, there have only been two external cases under OLAF investigation, one of which was closed without follow-up. The other one (in 2012) found evidence of possible irregularities that occurred during the implementation of a project. It resulted in measures to correct a perceived, potential loophole for fraud and a specific Horizontal Objective in 2013 to implement the anti-fraud strategy (to improve prevention, detection and the conditions for investigations of fraud, and to achieve appropriate reparation and deterrence). Nine specific actions were carried out which included the reinforcement of ex-ante controls and prevention to avoid fraud as well as the development of guidance and templates to harmonise procedures. In 2013, there were no open OLAF investigations related to TEN-T Projects.

*Conclusion*

4.63 We found that the Agency has achieved all the objectives it was required to fulfil over the period. The agency did particularly well on the objectives related to the TEN-T Programme, the management of financial resources, management of staff and the internal control systems.

**To what extent has the Executive Agency led to an improved management of the programme and better services to the stakeholders and addressees as compared to the alternative options?**

- 4.64 The stakeholders who interacted with the Agency were consulted during the evaluation in order to obtain their opinion about the services provided by the Agency during the period of evaluation, as well as possible areas of improvement. Two types of stakeholders were consulted:
- Beneficiaries: these are the entities which benefit from the European co-funding whilst implementing projects. Beneficiaries can be individual companies, joint ventures, etc., but must be legal entities.
  - Member States: Member States have always been an important part of the TEN-T Programme. They are beneficiaries of many TEN-T funded projects, especially the largest Priority Projects. In most cases Member States are represented by the national Transport Ministries who assist the Commission in monitoring the projects. For instance Ministries have to oversee all ASRs, interim financial statements and final reports. In doing so, Ministries have to check that the content of the reports is accurate, including the listing of expenditures. In addition Ministries also take part in the selection of proposals at national level; they relay the information from the Commission to possible beneficiaries and support beneficiaries during the calls for proposals.

- 4.65 Following the Commission's global financing decision listing the selected projects, the interaction of the stakeholders with the Agency follows at a minimum the following administrative process:
- Financing decision: This is the document (under the TEN-T programme) that formally grants the funds. It is a legislative document initially drafted by the Agency and adopted by the Commission. As explained in paragraph 3.16, this changed with the CEF programme, with a move from individual decisions to grant agreements signed by INEA and the beneficiaries.
  - Strategic Action Plan (SAP): This elaborates on the financing decision. It is submitted by the beneficiary at least 90 calendar days after the conclusion of the financing decision;
  - Action Status Reports (ASR): these documents have to be submitted to INEA every year by 31<sup>st</sup> March (at the latest) providing an update of the progress of a project over the last 12 months;
  - Interim financial statements: Not mandatory, but can be requested? in order to accelerate payments from the Agency to beneficiaries; and
  - Final reports and final financial statements: These documents must be submitted within 12 months (at the latest) after the end of the project.
- 4.66 The responses received from both beneficiaries and Member States indicated that the large majority of them had a very positive appreciation of the work of the Agency. The most quoted terms to define the action of the Agency were “good”, “very good”, or “positive”, including “more than adequate and highly satisfactory”. Points that were frequently highlighted about the Agency included the perception that the agency was professionally run, with skilled staff (in technical and financial matters) being helpful and service-oriented, Agency and its staff being cooperative and collaborative, timely and accurate services provided, regular support provided by the TEN-T Agency Project Managers, stakeholders knowing who to contact at the Agency, an informative and user-friendly website with documents easy to find, permanent project managers for each country and/or projects that were approachable, a proactive attitude in the follow up of actions with efforts to try to speed up the deadlines of the Implementing Bodies/Member States and of the Agency itself, confidence that the information was treated with respect. Beneficiaries and Member States also appreciated the visits from TEN-T Agency representatives as this gave an opportunity for more in-depth and improved project conversations. Report templates, especially when pre-filled were appreciated by some. Stakeholders that were involved with the “advisory group” set up by the Agency to discuss procedural issues also valued this initiative.
- 4.67 Not all stakeholders had been involved with the TEN-T Programme before the Agency was set-up, but for those who had, they had witnessed a clear improvement. One Member State stakeholder for instance commented: “I have been involved in TEN-T-financing issues more or less since 1994 and I have seen the development of INEA (formerly TEN-T Executive Agency). It is much more professional both in terms of skilled persons and tools (homepage, information and forms)” with improvements such as dramatically reduced response times to all administrative aspects of project management as well as shortened payment procedures and a “very good website”.
- 4.68 Another stakeholder also thought that the Agency had been good at simplifying information (i.e. translating European policy into everyday language understandable by stakeholders less *au fait* with European matters). They stated that “the TEN-T Agency put great effort into “decoding” the Community Policy for Trans European Transport Networks into a comprehensible list of priorities to be funded under the TEN-T Programme. In comparison to

the previous state of play, beneficiaries were able to better understand the programme and the Actions that are compatible with its nature”.

- 4.69 Stakeholders also noticed an enhanced Agency role in the call for proposals management in the period 2011-2013 compared to the previous period (2009-2010). Areas that improved included: communication between the Agency and the beneficiaries as well as excellent general information on the Calls.
- 4.70 A limited number of stakeholders from Member States were however slightly less impressed by the Agency. Two stakeholders from large Member States thought that overall the service had been mixed, with some services having been “good” whilst others had been “very poor”. This was due to inconsistency in the way different project managers and senior project managers across different teams had dealt with similar issues that had arisen in different projects. This was found to be frustrating with relevant Member States finding it difficult to give correct advice to beneficiaries.
- 4.71 An area that received comment was the organisation of Calls for proposals. Stakeholders in most cases acknowledged that calls had been successfully managed overall with support available through a number of channels such as TEN-T Info Days (which were noted as having been positive and well run events), Helpdesk, Q&A, etc. which enabled potential beneficiaries to submit better proposals and resulted in an increase in private sector participation. They also concurred that the practical organisation had generally been good with information relating to the call being easily available on the web-site with clear deadlines.
- 4.72 Stakeholders were generally aware of the efforts of the Agency to treat all applicants equally and recognised that calls were performed in a timely manner and according to the time plan but would have still liked to receive faster or more detailed answers from the Helpdesk or directly to their e-mail addresses. We are unsure whether the constraints relating to equal treatment of all beneficiaries during a call would allow INEA to implement this in the future.
- 4.73 Proposal evaluation, decisions, and timeline: Some stakeholders felt that feedback on projects rejected could have been more detailed. At least one recommended enhancing the transparency of the proposal evaluation process. We understand that this is something that is under consideration by INEA. A stakeholder also highlighted that the drafts of annual and multi-annual programmes were only sent to the Member States shortly before the FAC meetings where the programmes were discussed and voted upon. We understand that this sometimes happened because of lengthy internal Commission procedures (rather than issues under the Agency’s control), which were in fact accelerated to the maximum but nonetheless provided limited time for Member States to thoroughly read the documents, consult with other Ministry departments and prepare for FAC meetings.
- 4.74 Issues concerning the use of languages: Some native English speakers felt that the quality of some of the written English was not good, whilst non-native speakers sometimes resented being sent all the information in English. Handling many European languages (to a high level of proficiency) is difficult for any entity in particular, because it needs to be balanced against cost-efficiency and effectiveness. We understand that the Agency organises project officer assignments according to their linguistic skills which certainly contributes to otherwise good feedback on the Agency’s work. Some issues were raised by stakeholders concerning the official translations that are in fact provided by the Commission Directorate General for Translation (DGT) and not by the Agency. The processes involved in the provision of the official texts are owned and under constant review by the DGT and it would be more appropriate for

these issues to be addressed separately with the DGT in the light of those processes than in this report. However, for completeness they are simply mentioned here.

- 4.75 Communication was an area where stakeholders suggested some possible improvements: for example, within the Guide for Applicants, and in the need for the provision of clearer information on what is required from Member states in order for them to assist the Commission with monitoring the TEN-T projects as required under the TEN-T Guidelines (replaced for projects funded under the CEF by the TEN-T Regulation) Further clarification was also felt to be needed from the Commission or the Agency as to what costs are 'eligible', and how these should be reported. Some stakeholders also noted that it was sometimes unclear who to contact in the absence of the permanent project manager and that continuity management could be improved. We understand that at the Agency, this role of continuity person is ensured by the Senior Project Manager who is normally copied in all communication with the beneficiaries. It may be that this needs to be clarified with external stakeholders who may not be aware of this.
- 4.76 Concerning administrative processes, stakeholders also noted an improvement from using the Agency compared to the previous situation. Many found, for instance, that being sent an overview of the administrative procedures of the following year in advance was particularly helpful and very good practice. This allowed for better planning by stakeholders, where, as an example, there had been additional cooperation with Agency Project Managers to slightly amend the reporting schedule around national holiday periods. Stakeholders also noted that the Agency had been able to amend its own administrative procedures to reduce the reporting requirements of stakeholders, for instance by allowing the use of electronic signatures for project reporting, or by deciding to no longer require the submission of strategic action plans (SAP).
- 4.77 However, overall a number of stakeholders noted that Agency demands for the reporting had become more onerous and detailed during the period covered by this evaluation and felt that they had lost some flexibility as a result (particularly in the approval of the “eligible works”). Suggested areas of improvement that were listed by stakeholders included:
- Action Status Reports (ASR):
    - The reporting format of ASRs appeared outdated to one stakeholder who mentioned that it was difficult to explain how to complete, link, or upload the forms to new staff. In addition this stakeholder highlighted that some text boxes were difficult to write into.
    - It would be useful if the ASR could be printed from TENtec in excel format, and not just in pdf format to allow modifications or comments.
    - ASR templates should be provided earlier (in January) according to a stakeholder since the timetable for reporting is strict.
  - The use of TENtec to ease the burden of the administrative functions was not demonstrated for some stakeholders who thought that TENtec had actually added to the burden, with a mixture of on-line and clerically based activity that had not always made it easy to follow processes correctly.

*Conclusions*

- 4.78 The former “family feeling” of the 2007-2010 period when the Agency was setup gradually evolved into a more formal relationship between the Agency and the project stakeholders. At the beginning of the period 2011-2013, the Agency continued to develop the administrative procedures defined during the previous years, supplementing them with reporting

requirements such as SAP and ASRs which sometimes partially overlapped. There were some technological issues with TEN-Tec which did not always operate as well as intended leading to added complexity from the point of view of some stakeholders. Gradually the situation was normalized and mutual understanding developed which led to enhanced and sometimes simplified proposal application and reporting procedures.

4.79 We conclude and support the overall view of the majority of stakeholders which stated that the Agency had added value in terms of providing the technical and financial support for ensuring the effective and successful implementation of the Programme compared to the previous internal organisation. We also assess that the TEN-T reporting requirements have reached a balance where, although they require considerable administrative time and costs on the part of the EU grant beneficiaries, they do ensure adequate control and transparency as well as appropriate use of public funding.

4.80 There is a risk that if administrative procedures become stricter or more complex, they will deter smaller-sized businesses from applying or lead to the use of contractors to support the drafting of well-prepared applications. This could also result in a reduction in first time applicants or applicants with staff who are less used to the EU Institution working methods. It is important that the Agency remains as “customer-oriented” as possible while still maintaining its excellent administrative and project implementation track record.

**Has the cooperation between the Commission and the Agency raised the profile of EU Action in the field of the TEN-T network? Are there any issues that hampered the progress of this cooperation?**

4.81 We have described in this Chapter, between paragraphs 4.11 and 4.14 the actions that were undertaken by the Agency to increase the visibility and raise the profile of the EU action in the field of TEN-T.

4.82 In addition, there has been good cooperation on external communication between the two entities. The Agency cooperated with DG MOVE during the TEN-T days organised annually so that Member States, beneficiaries and other interested parties could understand TEN-T policy. Agency staff also went on joint missions with the TEN-T Coordinators and their DG MOVE Officer.

*Conclusion*

4.83 Throughout the interviews with stakeholders and the desk research undertaken for this study, we have found that the cooperation between the Agency and DG MOVE has been good and achieved at all levels of reporting. The many channels of communication used by the Agency have resulted in the enhanced visibility of the TEN-T Programme. We have not identified any issues that have hampered cooperation progress.

**To what extent has the establishment of the Executive Agency enabled the Commission to better focus on its core activities and functions?**

4.84 All DG MOVE staff, including Heads of Units interviewed have stated independently that the establishment of the Agency had allowed them and other DG MOVE staff to focus on TEN-T policy and other institutional work, instead of having to undertake Programme management tasks in addition to policy tasks, as had been the case pre-Agency.

4.85 The period between 2011 and 2013 included significant levels of policy activity from DG MOVE Units in charge of TEN-T. In 2010, a recast of the TEN-T Guidelines had been adopted (Decision No 661/2010/EU), but a complete review was adopted in December 2013 (the CEF



rules), establishing a dual layer distinguishing between the most important, core, and the comprehensive network with strict standards and deadlines. In addition DG MOVE also undertook policy actions focussing on implementing tools including an enhanced use of the European TEN-T Coordinators as well as definition and analysis of the new concept of 9 Core Network Corridors that shall help implement the core network.

- 4.86 There is no doubt that the extensive work related to the drafting and detailed negotiation of the CEF rules in 2012 and 2013 would have been more challenging to deliver with the same quality and outcome had DG MOVE not been able to focus on policy work following the establishment of the Agency.
- 4.87 The Executive Agency also proved to be a useful partner for DG MOVE by providing ad-hoc information, such as Member State reports which allowed DG MOVE and the relevant TEN-T Coordinator to lead policy discussions encompassing the whole national portfolio of TEN-T projects in a Member State.

*Conclusion*

**4.88 All the stakeholders and staff unanimously confirmed that that the delegation of implementation responsibilities to the Agency has helped DG MOVE focus on policy related aspects of the TEN-T Programme and institutional work.**

**In the presence of the Executive Agency, to what extent has the Commission maintained its competence and know how so as to keep an adequate level of control over the activities and the programme entrusted to the Agency? How was this achieved?**

- 4.89 Maintaining competence within the Parent DG (until 2013, DG MOVE was the only Parent DG of the Agency) is always critical so that an adequate level of control can be achieved. Most interviewees agreed that DG MOVE had managed to maintain competence through the following actions:
- Since the establishment of the Agency, very close cooperation between the two entities was planned and delivered;
  - Commission officials (with most of them originating from DG MOVE) were seconded to the Agency;
  - Participation of DG MOVE in many stages of proposal selection and project implementation;
  - Joint field visits involving officials from DG MOVE and the Agency, and in some cases the European Coordinators;
  - DG MOVE staff dedicated to liaising with the Agency, and staff from the Agency dedicated to liaising with DG MOVE; and
  - Frequent communication, both through formal and informal channels. Commission and Agency staff have highlighted that there was a good and regular flow of information between both entities, sometimes daily even at the level of Head of Units, which we have summarised in the table below.

**Table 4.6: Communication flows between the Agency and DG MOVE**

Level	Type	Description	Frequency
Management	Meetings	Management meetings of the Agency included DG MOVE Heads of Unit	Weekly

Level	Type	Description	Frequency
Management	Meetings	Management meetings of DG MOVE Directorate B also included a representative of the Agency on a rotating basis	Weekly
Management	Meetings	Joint Management Meeting between the Directors, the liaison officers and the Head of Units from DG MOVE and the Agency	Monthly
Management	Reporting	Bi-Annual Report, Annual Activity Report	Twice a year
Management	Oral communication	Direct communication between DG MOVE Heads of Unit and Agency Heads of Unit or Director	As and when required, estimated daily
Liaison	Oral communication, Meeting	DG MOVE Liaison Officers in regular contact with Agency's Director Assistant (who was nominated as Liaison officer for Agency)	As and when required, estimated daily
Operational	Oral communication, meetings	Direct communication between DG MOVE Policy Officers and Agency staff	As and when required, daily, weekly
Operational	Meetings	Joint missions on field trips by DG MOVE Policy Officers and Agency staff	As and when required

4.90 We observe from the table above that communication flows were not managed solely at the Management level between Heads from DG MOVE and the Agency, but that there was a large network of communication taking place across grades and regularly over time. This was beneficial and resulted in fast and efficient communications to the benefit of the Programme. If the communication flow had not been so extensive, there could have been confusion – leading to delays or other issues - for external stakeholders such as Member States and beneficiaries in liaising with two different entities and understanding “*who did what*”.

4.91 The Internal auditor of the Agency at the time also described a “*very transparent cooperation of the Agency with DG MOVE*”.

4.92 In the period covered by the evaluation, it was estimated in the Cost benefit analysis for the delegation of certain tasks regarding the Implementation of Union Programmes 2014-2020 that DG MOVE employed 3.15 FTE for the supervision and support of the Agency.

4.93 However, some staff highlighted that it was inevitable that DG MOVE would lose some competence by outsourcing tasks to the Agency. Skills that they thought had been lost or at least not used to the same extent as pre-Agency included:

- Project and financial management skills; and
- Grant management competence.

4.94 We agree with the view that detailed project management skills that had been developed by DG MOVE staff before the Agency was running have not been used since. However, we do not believe this to be an issue since this is not the core role of the Commission staff employed in

DG MOVE. Commission officials seconded to the Agency have maintained this competence and could if necessary use it back at the Commission.

*Conclusion*

- 4.95 Since they no longer work daily in project or grant management roles, DG MOVE staff has not been exposed to these skills since the Agency was set-up. However, the Commission staff's objective is to work on policy tasks and not project management, so we do not see this as an issue. A very close network of communications has been created between the Agency and DG MOVE, at all levels with a large number of formal meetings as well as informal exchange of communication. This has resulted in fast and transparent communication as well as maintaining DG MOVE's competence, knowledge and control of the implementation of the TEN-T Programme.
- 4.96 The configuration of INEA will offer a new challenge for DG MOVE as it is not the sole parent DG anymore and will have to liaise with a larger group of internal stakeholders. A positive step has been the introduction of the same division of staff between projects and geographies in both the Agency and DG MOVE, so that there is a clearer counterpart in both entities.

**Did the activities of the Executive Agency result in any unintended effects (either desirable or undesirable)?**

- 4.97 Between 2011 and 2013, an unintentional effect of the good performance of the activities of the Agency was the increased support required by DG MOVE from the Agency. After it became clear from the 2010 Mid-term review of the MAP that not all funds would be able to be distributed to beneficiaries (see paragraph 3.37), the Agency reviewed on an annual basis the funding allocated to the projects. The funds were released through amendments to these projects and re-injected through additional Calls in 2012 and 2013. Subsequently, the Agency had to manage the resulting new projects. For the Agency the impact was probably mixed: whilst it demonstrated commitment to the implementation of the TEN-T Programme, and its ability to react flexibly at short notice through to the end of the 2007-2013 financing period, this was also achieved without an increase in budget or head count. It demonstrated the Agency's adaptability and ability to motivate its staff to ensure that considerable efficiency and productivity were achieved to deliver the additional tasks. For the TEN-T Programme, the effect produced was positive: it reinforced the message that beneficiaries had to follow the rules related to co-funding ("use it or lose it") and that the management of the TEN-T Programme was professional.
- 4.98 A second unintended effect deriving from the activities of the Agency mentioned by some staff has been the decision by the Commission to expand the scope of services of the Agency and additionally entrust it, as INEA, with the management of the legacy of the Marco Polo Programme and the management of parts of the CEF (transport, energy and telecommunications) and Horizon 2020 (societal challenges for transport and energy) from January 2014. This is a positive development for the Agency and its executive team are being trusted to take more Programmes under its management. However this has led to a significant transformation of the structure and characteristics of the well-functioning TEN-T Executive Agency. In 2014 and 2015, whilst recruitment has been expanded, staff at INEA has been overloaded with projects and other challenges wait.
- 4.99 Another unintended effect at the Agency comes from the excellent recruitment practices that have been implemented which have possibly led to a high turnover rate. The Agency has managed to select highly skilled and motivated people who have performed well and have

been willing to work under pressure particularly in 2013. However because of restrictions on career progression at the Agency for non-Commission official grades, some of these staff may have felt that they had already hit a “glass ceiling” with no further prospects of advancement. The majority of those who have left have passed and succeeded the Commission Staff Selection Competition showing that they had excellent skills and had a strong interest in EU policy achievement. Under the current staff regulations there is little that the Agency can do beyond the steps already taken (change in positions where possible during the INEA transition, targeted training, etc.) However it should be noted that even within the Commission, there would also have been a relatively high turnover of contract staff (because the maximum time period that they can work within a Directorate General is six years), but also because some of this staff would also have succeeded the Commission Staff Selection Competition.

*Conclusion*

**4.100 We identified a number of other unintended effects due to unanticipated challenges that the Agency faced (besides staff turnover) at the start of the period. However we concluded that the Agency responded to these challenges in a positive manner.**

**Efficiency (the extent to which objectives can be achieved for a given level of resources/ cost)**

**To what extent has the Executive Agency carried out its work efficiently<sup>6</sup>? Were the effects achieved at a reasonable cost? What aspects / means / actors or processes render the Agency more or less efficient? What could be improved?**

- 4.101 In order to assess the efficiency of the Agency, we have examined the following aspects: possible savings within the EU budget, costs of coordination and checks, and efficiency in the implementation of outsourced tasks. The assessment of possible savings within the EU budget is developed in the Cost Benefit section where the two options (Agency and DG MOVE) are tested. The results of the cost benefit analysis confirm that significant savings (in the order of €2.2 to 3.4 million each year) were made to the EU budget by having the Agency in charge of implementing the TEN-T Programme.
- 4.102 We have also examined the cost of coordination and checks related to the Agency. The “Monitoring Strategy on the Activities of the TENT-T Executive Agency” of April 2013 presents the key aspects of the monitoring strategy of the Agency by DG MOVE. The strategy is based on four pillars: (1) Steering group and Liaison Officers, (2) mandatory reports and evaluations, (3) data collected through the open method of coordination (OMC module of TENtec), and (4) on the spot visits.
- 4.103 We have detailed in paragraph 4.89 the coordination and communication taking place between the Agency and DG MOVE. A number of staff from DG MOVE were involved with the coordination and checks of the Agency including Heads of Unit, Liaison Officers, Desk Officers, TENtec specialists, audit team of the Agency, other officers from Commission Horizontal services (DG HR, EPSO, OIB, etc.), but it should be recognised that even if the tasks of the Agency had been provided in-house at DG MOVE, there would still have been some roles linked to control. It has been established previously in the 2013 “Cost Benefit Analysis for the delegation of certain tasks regarding the implementation of Union Programmes 2014-2020 to the Executive Agencies” that at present there were 6.2 FTEs involved in providing supervision

<sup>6</sup> According to Art.3(1) of Regulation 58/2003, the following aspects linked to the efficiency of the agency should be analysed: possible savings within EU budget, costs of coordination and checks, efficiency in the implementation of outsourced tasks.

and support to the Agency, with 3.15 FTEs in MOVE and 3.05 in the SRD, and we have no reason to believe that it should be different. The previous evaluation also used the same figure for the period between 2008 and 2011.

- 4.104 The level of supervision and control from DG MOVE to the Agency appears similar or lower than for other agencies, according to numbers from the “Cost Benefit Analysis for the delegation of certain tasks regarding the implementation of Union Programmes 2014-2020 to the Executive Agencies” which estimated these costs to be between 4 and 4.5 FTEs for EACEA (supervision provided by DG EAC mainly) and between 9 and 10 FTEs in the case of EACI which had four parent DGs (ENTR, ENER, ENV, MOVE).
- 4.105 The cost benefit analysis which is presented in paragraph 4.140 in this chapter shows that the costs related to supervision and control amounted to € 0.41 m in 2013 (or 12% of the cost savings achieved by the Agency that year). Furthermore, it was found that the impact of the level of supervision and control by DG MOVE influences the NPV significantly.
- 4.106 One of the advantages of having outsourced the implementation of the Programme to the Executive agency is that it has been possible to build up – and retain in most cases – the expertise in the TEN-T Programme, in a way that may have been more difficult within the Commission. Clearly, the ratio of contract staff to officials at the Agency means that the Agency has been a much cheaper alternative to an in-house Commission scenario where the Commission would only have been able to achieve a much lower ratio of contract staff to officials.
- 4.107 In addition, a benchmarking exercise of the TEN-T Executive agency against the other executive agencies of the European Commission shows that the ratio of budget managed per member of staff has been excellent and significantly stronger than in other Agencies. This is probably due to the nature of TEN-T Projects (which are in most cases infrastructure related with large budgets), but nonetheless offers an interesting comparison for the TEN-T Agency.

**Table 4.7: Budget managed per person of staff in 2013**

Executive agency	Operational budget managed in 2013	FTE	Budget managed per person
EACEA	€ 847 million	431	€ 1.97 million
EACI	€ 453 million	159	€ 2.85 million
EAHC	€ 68 million	50	€ 1.36 million
TEN-T EA	€ 1.6 billion	100	€ 16.00 million
ERCEA	€ 1.7 billion	389	€ 4.39 million
REA	€ 1.2 billion	558	€ 2.69 million
<b>Total</b>	<b>€ 5.8 billion</b>	<b>1,687</b>	<b>€ 3.47 million</b>

Source: Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies, 2013

- 4.108 We have observed that the Agency was a cost and organisationally-efficient organisation which performed very well in all expected areas. We have not found that the Agency could

have made many additional improvements beyond the ones that it did implement either during the period of this evaluation or previously.

*Conclusion*

**4.109** Because of its nature, the Agency has been a cost-saving instrument for DG MOVE (even taking into account the cost of supervision and control from the Parent DG), whilst ensuring high quality execution of the TEN-T Programme implementation. We do not have specific recommendations on improvements of cost efficiency.

**To what extent have the Executive Agency's internal organisation and procedures (budgetary, management, monitoring and evaluation, human resources) been conducive to its efficiency?**

- 4.110 The Agency's organisation and procedures were a result of both the external European rules that it was required to comply with, and the internal procedures that the Agency itself developed and amended over time.
- 4.111 European rules regarding the organisation of executive agencies are provided in Framework Regulation EC 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes. This defines the following rules regarding the status and organisation of the Agency:
- An executive agency has a legal status. It can be a party to legal proceedings and to this end is represented by its Director;
  - An executive agency shall be managed by a Steering Committee and a Director;
  - In accordance with the financial Regulation applicable to the general budget of the European Communities, the Director sets up the management and internal control systems adapted to the tasks entrusted to the executive agency to ensure the operations it performs are lawful, comply with the rules and are effective.
  - The function of internal auditor is performed in the executive agencies by the internal auditor of the Commission.
  - It shall organise its departments according to the management needs of the Community programmes for which it is responsible and according to the criteria of sound financial management.
  - Staff consist of Community officials seconded as temporary staff members by the institutions to positions of responsibility in the executive agency, and of other temporary staff members directly recruited by the executive agency, as well as of other employees recruited by the executive agency on renewable contracts. The nature of the contract, governed by private law or public law, its duration and the extent of the employees' obligations vis-à-vis the agency, and the appropriate eligibility criteria shall comply with the Staff Regulations.
  - The standard financial regulation applicable to the operating budget of an executive agency shall be adopted by the Commission. That standard regulation may deviate from the financial Regulation applicable to the general budget of the European Communities only if the specific operating requirements of the executive agencies so require.
- 4.112 In terms of the internal organisation structure of the Agency, it is clear that the Agency followed the operational and horizontal objectives of the Programme with one horizontal management unit, one horizontal unit providing support to two operational units (split by mode of transport) and a technical assistance unit undertaking cross-sectorial tasks. This structure was in place since the Agency's creation and was found to be easy to understand for

Agency and Commission staff as well as by external stakeholders. We found no evidence through interviews or desk-research that the organisational structure was not working. It appears conducive to its efficiency. We also examined the internal organisation structure of the two benchmarking agencies used in this evaluation (REA and EACI) and found that all these agencies had been organised with a number of horizontal and operational units. Both comparator agencies had more units in total, but also had more staff.

- 4.113 The Agency was expected to follow the Human Resources and Financial framework in use by the Commission and could not deviate from these rules. However we have found that the procedures that were created at the establishment of the Agency were conducive to its efficiency.
- 4.114 The approach to Human Resources, for instance, was very much driven by the desire to ensure efficient, motivated and skilled staff. We have described in paragraph 4.50 the approach to HR management of the Agency. It clearly went beyond the minimum required by the Commission and certainly ensured an efficient delivery of the work.
- 4.115 Control systems and performance reporting tools had also been developed since the establishment of the Agency. The internal control systems were described by the internal auditor of the time as “*very effective*”. We have described the control systems in place in paragraph 4.57.
- 4.116 However, two areas were highlighted as having produced inefficiencies: firstly, because the Agency was its own legal entity separate from the Commission, it could not benefit from Commission Services (such as services related to property management or logistics). This resulted in greater challenges to deliver or independently procure these services than it would otherwise have been in a Commission environment. Secondly, as previously stated in this report, the Agency was still dependent on Commission services in certain horizontal areas (IT and HR for instance) and had to follow the procedures and timings associated with these. For Agency staff used to be working in an executive agency geared towards efficient delivery of services, this was sometimes perceived as a burden. We present later in this report the average overheads of the Agency in 2013 (€18,770) and of the Commission (€23,000). Whilst the numbers are provided from different sources (Agency: directly derived from financial accounts, Commission: overheads estimated in the Cost Benefit Analysis for the delegation of certain tasks regarding the implementation of Union Programmes 2014-2020 to the Executive Agencies ), it is interesting to note that the Agency overheads were found to be 18% lower than the Commission’s.
- 4.117 We also observe that the Agency managed its overheads very efficiently. In 2012 for instance, the Commission had granted the Agency an administrative budget of € 2.186 million for overheads but the Agency only used € 1.333 million through savings on rent charges, IT equipment and furniture. As a result the Agency saved more than 40% on overheads.

*Conclusion*

- 4.118 The agency was organised to be efficient from the start, adopting a well-functioning structure that did not need significant modification over the period under evaluation (nor indeed prior to that), together with a number of strong control procedures. Efficiency was also achieved by having a different staff mix to that at the Commission, and by proactivity, in achieving savings in overheads.
- 4.119 A possible reorganisation of the operational units, on a geographic basis to address linguistic considerations and to allow a deeper and more comprehensive approach to individual

Member state transport issues and procurement procedures, has been suggested and might be considered in view of the new financial perspective.

## Added value

### Has the establishment of the Agency conferred any additional value compared to what could have been achieved without the Agency

- 4.120 None of the staff or stakeholders disagreed with the view that it was of benefit that the Agency existed between 2011 and 2013 and all stated that the activities of the Agencies had added value compared to what would otherwise been achieved by DG MOVE without the Agency.
- 4.121 It is clear that since its inception, the Agency has introduced effective monitoring of the Programme allowing DG MOVE and other stakeholders to have an adequate and up-to-date knowledge of the Programme execution. Previously this monitoring as well as such high focus on sound financial management were not necessarily always at the top of DG TREN priorities. This translated into improvements in good financial management, in terms of payment times and budget execution (see Table 4.3 and Table 4.5).
- 4.122 The Agency streamlined the processes for project and financial monitoring through new approaches and in some cases IT tools which turned out to be a welcome improvement from the point of view of beneficiaries and Member States. The agency also developed templates and forms which were seen as useful by stakeholders and beneficiaries. There was also a reduced reaction time to beneficiaries' requests, with a clearly established point of contact for each of them at the Agency. The Agency sent reminders of deadlines to submit ASRs to beneficiaries ensuring through proactive management that payment execution would be as high as possible.
- 4.123 Overall the relationship with beneficiaries has improved significantly. The Agency has added value to external stakeholders through a number of initiatives to simplify and support the interaction of beneficiaries and Member States with the TEN-T Programme, such as:
- The Agency website presented the work of the Agency as well as providing information about the projects that was valuable to beneficiaries;
  - Drafting of reports, leaflets and brochures related to TEN-T;
  - Organisation of TEN-T Info Days, and support to applicants with an "applicant guide";
  - Development of templates to report information, including working groups between the Agency and beneficiaries to try to enhance its work and liaison with stakeholders: Member States and project promoters that had been involved with the Agency before the period covered by this evaluation recognised that there has been efforts made by the Agency to achieve simpler (and more effective) procedures, however, as already highlighted in 4.64, external stakeholders would be keen for more.
- 4.124 This translates into a successful close proximity of the outsourced activities to beneficiaries and Member States. Evidence of this can be found in the positive feedback received from external stakeholders as well as the high level of attendance at the info-days, presence of the Agency at the TEN-T days, management of the Agency website and use of social media as well as significantly improved key performance indicators related to third parties over the period as displayed below in Table 4.8.
- 4.125 Time to grant (that is the time to adopt the individual Decisions after the closure of a Call) has reduced to 8.1 months in 2013 down from 20 months in 2007 and 8.7 months in 2011. The



net time to pay is also now shorter at 11 days in 2013 down from 13 in 2011 and 94 in 2007, and within the target of 20 days. Regular site visits have also been undertaken by Agency staff, once a year on large projects and once every two years on smaller ones. Stakeholders who already received TEN-T funds before the existence of the Agency have all commented on the positive impact that the Agency has brought to them.

**Table 4.8: Time to grant**

	2007 Call	2011 Call	2012 Call	2013 Call
Time to grant	20.0 months	8.7 months	8.0 months	8.1 months
Target	9 months	9 months	9 months	9 months

Source: Steer Davies Gleave analysis of Agency's documents

- 4.126 The Agency has also been beneficial in bringing more transparency to the Programme implementation: its website displays information that was not necessarily publicly available previously; its annual reports give a comprehensive overview of its objectives and annual work undertaken; the decoupling of implementation of policy and policy objectives has also led to an improved project selection process, where projects are first selected on their maturity and technical merits and only then on their political merits.
- 4.127 Because of its ability to recruit specialist staff, the Agency has been able to provide expertise that would have been largely unavailable in DG MOVE: engineering and financial skills which allowed for better project selection but also better project monitoring during the project life-cycle.
- 4.128 In addition to offering an increased pool of skills and expertise, the use of contract and temporary agents versus the use of Commission officials has been a more cost-effective option for the Commission overall (this point will be expanded in the Cost benefit analysis). In addition, the Agency has been able to increase its productivity when necessary.

*Conclusion*

**4.129 We conclude that the Agency has added value to the management and implementation of the TEN-T Programme. This view was expressed by all staff and external stakeholders interviewed.**

**Economy**

**The extent to which the Agency has the human resources it needs to perform its tasks?**

- 4.130 We have described in Chapter 3 paragraph 3.31 the human resources structure of the Agency. We have also presented in paragraph 4.50 the actions of the Human Resources team and those of the Agency's senior management to secure the best possible staff for the Agency. In addition the Agency made use of Blue Book trainees and recognised that the benefit of this possibility was appreciated.

*Conclusion*

**4.131 As previously concluded, we believe that the Agency had the necessary staff to undertake its work. We assess that the recruitment procedures that were put in place by the Agency were conducive to creating a good pool of skills and motivated staff.**

**The extent to which the Agency's internal organisation is capable and flexible to rapidly respond to resource needs due to uncertainties related to volumes of work**

- 4.132 Uncertainties related to the volumes of work required within an Executive Agency in charge of Programme implementation, may stem from the following sources:
- Uncertainties related to the volume of applications received during calls. Calls are open to all applicants and the Agency has very little insight into the number of proposals that will be received each year. Every proposal must be carefully evaluated by the Agency and its network of evaluators within a defined timeframe;
  - Uncertainties related to the correct implementation of the projects. The Agency worked proactively with project beneficiaries in order to support their implementation of the projects, but the Agency nonetheless had to follow the pace dictated by individual project implementation. The impact of the financial crisis resulted, for instance, in the slowing down of implementation of some projects by the stakeholders which then resulted in the slowing down of activities relating to Programme implementation at the Agency – this was outside the control of the Agency and did not result from any lack of resources there;
  - Uncertainties related to the organisation of additional calls unforeseen at the beginning of the Financing period or at the beginning of the financial year. This was the case for the Executive Agency in 2013 when a call was organised late in the year.
  - Uncertainties related to the future continuation of the mandate of the Agency. Tasks related to the transformation of the Agency into INEA led to a significant increase in the volume of work to be performed by the Agency in both 2012 and especially in 2013 as previously discussed.
- 4.133 We have discussed the internal organisation of the Agency in paragraph 4.112, noting that it was an effective structure.
- 4.134 Regarding the capability of the Agency to respond to uncertainties related to volume of work, there is no doubt that the Agency was well equipped with staff skills for this. Skills related to assessing proposals or organising an additional call were already available internally and the Agency also had access to external evaluators. Skills related to the extension of the Agency were also available in-house at a senior level (Heads of Unit and Executive Director).
- 4.135 We observed that the volume of work at the Agency tended to peak during the February/March timeframe, when two events took place in parallel:
- Submission of the ASRs by project beneficiaries (by 31<sup>st</sup> March), followed by evaluation of the ASRs by project and financial officers;
  - Evaluation of the Calls by Agency staff, external experts and subsequently DG MOVE staff (applications usually had to be submitted by 28<sup>th</sup> February).
- 4.136 We see no reason why these two events, which impose a significant workload upon all involved have to take place at the same period in the year. We understand that it is not possible for ASRs to be submitted at a later date (as the date of submission is part of the grant agreement). However the Agency could give some consideration to the closure date of the calls. The calendar of the calls is fixed by DG MOVE on the basis of political considerations. We therefore recommend that the Agency agrees with DG MOVE a multi-annual planning of calls (with earlier deadlines) in order to spread their timing and therefore reduce the peak workload. However with INEA in charge now of CEF and other Programmes, this may mean that all Parent DGs would have to agree a new calendar of calls which may prove quite difficult.

- 4.137 In terms of the flexibility to respond to resource needs due to uncertainty related to volumes of work, all interviews with Agency and Commission staff have confirmed that the Agency and its staff made themselves available in a manner that was very supportive of the demands of the work. The Agency had no room to employ more than 100 staff and could not change the staff mix, so the flexibility provided came from the Agency staff itself working flexibly and more than planned at times. In this respect, 2013 was a real challenge for the Agency staff which meant a significant increase in workload for certain of them, with no additional resources or financial compensation given. Flexibility of staff was obtained through a very strong motivation of the staff to achieve the objectives set as well as through the use of flexible structures and ways of working from the start. We believe that the recruitment procedures that were put in place from the beginning at the Agency supported the selection of motivated staff who responded flexibly to the volumes of work.

*Conclusion*

- 4.138 We conclude that the Agency's internal organisation was capable, as demonstrated during the period, of responding flexibly and rapidly to resource needs arising from uncertainties related to volumes of work. We assess this was due to highly motivated staff who worked flexibly as and when required. Maintaining high levels of staff motivation over a long period of time will be a new challenge to be addressed by INEA, especially in a larger agency context where staff may less easily feel part of a small group working together for the achievement of EU objectives.
- 4.139 In addition, the current organisational calendar of the work at the Agency means a high workload around the spring term. We see no reason why this has to be the case and wonder whether there is any possibility of moving one of these events (such as the closure date of the of the Calls to a later date) to even out the volume of work at INEA.

## Cost benefit analysis and operation efficiency

### Introduction

- 4.140 The objective of the cost benefit analysis is to compare the outcome in monetary terms of two different scenarios for implementing the management of the TEN-T Programme during the period between 2011 and 2013. The two scenarios are as follows:
- External scenario: this is the existing scenario, whereby the Agency has been delegated the execution of the Programme. It is the baseline option; and
  - In-house scenario (i.e. no delegation scenario): under this scenario, all aspects of the TEN-T Programme would be managed internally within the European Commission, as was previously the case before the Agency was created. It is the alternative option.
- 4.141 If the cost benefit analysis shows that the external scenario provided better value for money than the in-house scenario, it will retrospectively confirm the choice of having an Executive Agency for the TEN-T Programme.
- 4.142 The cost benefit analysis also makes reference to the cost-benefit studies carried out previously, namely:
- Evaluation of the three year operation (2008-2011) of the TEN-T EA during its extended and full mandate, COWI, July 2012. This evaluation provides some interesting findings related to the operation of the Agency between 2008 and 2011. It includes a cost benefit analysis which provides a starting base for the 2011-2013 period.

- Cost Benefit Analysis for the delegation of certain tasks regarding the implementation of Union Programmes 2014-2020 to the Executive Agencies, 19 August 2013, GFK in cooperation with Technopolis. This cost benefit analysis was carried out in 2013 for DG Enterprise and Industry. It presented a detailed analysis (CBA) of four different scenarios for delegating the management of EU spending programmes to executive agencies in the Multiannual Financial Framework (MFF) for 2014 to 2020. Among the agencies under consideration was the TEN-T Executive Agency that was considered for the management of new programmes including CEF, parts of Horizon 2020 (energy and transport and SMEs).

4.143 The CBA covers the aspects referred to in Article 3 of the Council Regulation (EC) No. 58/2003, which defines the setting-up and winding-down of Executive Agencies. We have summarised the elements that must be taken into account in cost-benefit analysis into the table below which shows in which section of the evaluation they have been addressed. Whilst some of these can easily be translated into monetary values (such as the cost of coordination and checks), for others this is difficult and therefore most benefits remain qualitative.

**Table 4.9: Factors to be taken into account in cost-benefit analysis**

Factors	Evaluation question(s)
Identification of the tasks justifying outsourcing	Relevance
Costs of coordination and checks	Efficiency
Impact on human resources	Relevance, Economy
Possible savings within the general budgetary framework of the European Union	Efficiency
Efficiency and flexibility in the implementation of outsourced tasks	Relevance, Economy
Simplification of the procedures used	Added value
Proximity of outsourced activities to final beneficiaries	Added value
Visibility of the Community as promoter of the Community programme concerned	Relevance
Need to maintain an adequate level of know-how inside the Commission	Effectiveness

4.144 The results of the cost benefit analysis are displayed in terms of Net Present Values (NPV). NPV is a calculation used to analyse the profitability of an investment or of a project, which takes into consideration the future or past value of money and shows the difference in the present value of inflows and outflows between scenarios.

4.145 For this study, the NPV shows the difference in costs between managing the implementation of the TEN-T Programme through the Agency (baseline) or in-house through DG MOVE (alternative scenario).

4.146 The following is the formula used to calculate the NPV:

$$NPV = \sum_{t=1}^n \frac{Ct}{(1+r)^t} \quad \text{where:}$$

Ct = net cash inflow during the period (i.e. yearly difference in cost between the two scenarios);

r = discount rate;

t = year; and

n = total number of years;

4.147 A number of assumptions have been used. Where possible, we have ensured that we have used the same assumptions that have been used in the two studies quoted above (particularly the Cost Benefit Analysis for the delegation of certain tasks regarding the implementation of Union Programmes 2014-2020 to the Executive Agencies) to ensure as much consistency as possible and ensure possible comparisons across studies.

- The CBA is made using current prices taking into account inflation, salary developments and interest rates;
- A real discount rate of 4 per cent has been applied, as per Commission evaluation guidelines.
- The staff numbers and costs in the Agency are based on actual staff employed for the period 2011 to 2013.
- Programmes/ activities currently managed in-house by the Commission: data on the number of FTE posts at the Commission involved in programme management and their workload are not readily available meaning that costs and staff level in DG MOVE are based on estimations.

### Staff numbers

4.148 Here we establish the baseline numbers so that we can understand the number of staff and their associated costs under the baseline scenario. This existing scenario, where the Agency has been delegated the execution of the Programme includes the entire Agency staff as well as the DG MOVE staff in charge of supervision and control (see paragraph 4.103). Based on the information available for the Agency on staffing, this gives the following staffing level:

**Table 4.10: Staff numbers in the baseline scenario**

Entity	Category/role	2011	2012	2013
Executive Agency	Officials	7	7	7
	Temporary agents	26	26	26
	Contract agents	66	67	67
	<i>Total Agency</i>	<i>99</i>	<i>99</i>	<i>100</i>
DG MOVE	Officials	3.15	3.15	3.15
	Temporary agents	0	0	0
	Contract agents	0	0	0
	<i>Total DG MOVE</i>	<i>3.15</i>	<i>3.15</i>	<i>3.15</i>
<b>Baseline scenario</b>	<b>TOTAL</b>	<b>102.15</b>	<b>102.15</b>	<b>103.15</b>

Source: Steer Davies Gleave analysis of Agency documents

- 4.149 For the alternative scenario, we used the following approach to estimate the staff numbers:
- In this in-house option, there is no need for DG MOVE to use 3.15 FTE to ensure supervision and control of the Agency;
  - The same number of staff should be used within DG MOVE for project management and financial management of the Implementation of the TEN-T Programme compared to what is used by the Agency. This also applies to the staff in charge of the evaluation of proposals received during calls, so overall we would not expect changes to the size of units T1, T2, T3 and T4 in-house DG MOVE.
  - We assess that a group of staff of the combined size of the four units would still need supervision and management even in an in-house scenario, in the same way that has been provided by the Agency Director and its Unit T0.
  - However a very small number of discrete functions may be provided by the Commission’s central services such as the building officer or the Head of Information and Communication, therefore reducing the headcount by 2 FTEs (one temporary agent and one contract agent);
  - We have also used the assumptions of the Implementation of Union Programme 2014-2020 Cost Benefit Analysis that the Commission in-house option would require 10 per cent more operational staff as compared to the executive agencies to manage the programmes/ activities in-house, as “Commission staff time is typically split between policy making and programme management tasks, thus leading to conflicting priorities and inefficiencies”.

4.150 Currently the staffing mix at the Agency between Officials, temporary agents and contract agents is 7%, 26% and 67% respectively. This distribution of staff category would not be possible within DG MOVE, due to institutional constraints. We have therefore used the assumptions of the Implementation of Union Programme 2014-2020 Cost Benefit Analysis regarding staffing mix:

- Officials and temporary agents would represent 70% of the staffing, whilst the remaining 30% could be contract agents.

4.151 Based on the information available for the Agency on staffing, this gives the following staffing level for the in-house option

**Table 4.11: Staff numbers in the in-house scenario**

Entity	Category/role	2011	2012	2013
Executive Agency	Officials/ Temporary agents	0	0	0
	Contract agents	0	0	0
	<i>Total Agency</i>	<i>0</i>	<i>0</i>	<i>0</i>
DG MOVE	Officials/ Temporary agents	72.6	73.7	74.8
	Contract agents	33	33	33
	<i>Total DG MOVE</i>	<i>105.6</i>	<i>106.7</i>	<i>107.8</i>
<b>Baseline scenario</b>	<b>TOTAL</b>	<b>105.6</b>	<b>106.7</b>	<b>107.8</b>

Source: Steer Davies Gleave assumptions

### Staff costs

- 4.152 In each scenario, the staff costs have been calculated as the sum of staff related costs and overheads costs.
- Staff related costs include salaries and allowances, expenditure relating to staff recruitment, socio-medical infrastructure, and training costs.
  - By overhead costs, we mean costs related to the work environment such as rental of buildings and associated costs, information and communication technology, movable property and associated costs, current administrative expenditure and postage and telecommunications costs.
- 4.153 Staff costs vary significantly based on the staff category (whether temporary agent/official or contract agent), whilst overhead costs are the same for each category of staff.
- 4.154 For the Agency, staff costs and overheads information is available from the annual accounts of the Agency for each year. These costs reflect the real expenditures incurred each year.
- 4.155 For DG MOVE, information on costs by staff category or on overheads is not readily available. However, we have decided to use the information provided in the Implementation of Union Programme 2014-2020 Cost Benefit Analysis as it provides some useful information as illustrated in the table below.

**Table 4.12: Average staff and overhead costs at the Agency and at the Commission (2013)**

Cost category	Staff status	Agency	Commission
Average staff cost	Official/Temporary agent	€ 106,770	€ 108,000
	Contract Agent	€ 46,540	€ 47,000
Average overhead cost		€ 18,170	€ 23,000
Source		SDG analysis of TEN-T accounts	Implementation of Union Programme 2014-2020 Cost Benefit Analysis

- 4.156 The DG MOVE staff and overhead cost information is only available for 2013, so it has been adjusted for 2011 and 2012 in order to reflect inflation and salary adjustments at DG MOVE. Obtaining information on salary adjustment rates was difficult since we understand that the Council has not approved the adjustments for all years in scope yet. We used the following assumptions:

**Table 4.13: Inflation and salary adjustment rates**

	2011	2012	2013
Inflation (HCIP, EU)	3.1%	2.6%	1.5%
Salary adjustment rates	1.5%	1.5%	1.5%

## Results of the cost benefit analysis

4.157 We present below the result of our cost benefit analysis.

**Table 4.14: Cost benefit analysis results (€ 2013 prices, in million)**

Scenario	Entity	Cost category	Status	2011	2012	2013
Agency in place	Agency	Staff costs	Officials/TAs	3,097,804	3,267,784	3,416,625
		Staff costs	Contract agents	2,782,272	2,959,443	3,071,643
		Overheads		2,157,294	1,313,541	1,876,979
		<i>Total</i>		<i>8,037,370</i>	<i>7,540,768</i>	<i>8,305,247</i>
	DG MOVE	Staff costs	Officials/TAs	316,680	330,145	340,200
		Staff costs	Contract agents	0	0	0
		Overheads		66,718	70,308	72,450
		<i>Total</i>		<i>383,398</i>	<i>400,453</i>	<i>412,650</i>
<b>TOTAL</b>			<b>8,420,769</b>	<b>7,941,221</b>	<b>8,717,897</b>	
DG MOVE in-house	Agency	Staff costs	Officials/TAs	0	0	0
		Staff costs	Contract agents	0	0	0
		Overheads		0	0	0
		<i>Total</i>		<i>0</i>	<i>0</i>	<i>0</i>
	DG MOVE	Staff costs	Officials/TAs	7,298,723	7,724,341	8,078,400
		Staff costs	Contract agents	1,443,771	1,505,158	1,551,000
		Overheads		2,236,644	2,381,565	2,479,400
		<i>Total</i>		<i>10,979,139</i>	<i>11,611,064</i>	<i>12,108,800</i>
<b>TOTAL</b>			<b>10,979,139</b>	<b>11,611,064</b>	<b>12,108,800</b>	
Cost difference			2,558,370	3,669,842	3,390,903	
Net present value				8,867,447		

Source: Steer Davies Gleave analysis. Note that the overhead amounts come directly from the annual accounts of the Agency. In 2012 for instance the administrative budget of the Agency for overheads was €2.186 million, but in the end only €1.333 million resulted in payment execution (numbers in the table are adjusted for 2013 prices). In 2012 the agency made some significant savings in overheads in “charges of rent”, computer equipment, goods and furniture, and admin expenses.



4.158 The CBA shows that for 2011-2013 the Agency scenario provided better “value for money” compared to the DG MOVE in-house scenario. The Agency has of course managed to achieve lower overheads than the Commission, but its main advantage rests in the staff mix which is significantly geared towards cheaper staff (contract staff).

4.159 The net present value of having the Agency between 2011 and 2013 represents €8.86 million.

4.160 Some elements have a stronger impact than others on the result of the cost benefit analysis, namely:

- The mix of staff (by category): if the Commission was able to have the same rules on staff mix as the Agency, the result of the cost benefit would be significantly different, as it would only be a matter of a difference in overheads and cost of supervision at DG MOVE.
- Similarly if the Agency had to use DG MOVE ratios of contract staff, then the case for the Agency would become much weaker;
- Increased cost of supervision of DG MOVE: assumed supervision and control FTE = 6.3: the impact of a doubling of staff supervision is significant and results in a NPV result more than 10% lower than under the baseline.

4.161 Other factors that have a limited role include:

- The salary adjustment rate; and
- The discount rate.

**Table 4.15: Cost benefit analysis sensitivities**

Sensitivity	Sensitivity not applied (Baseline)	Result of sensitivity	Impact of sensitivity compared to baseline NPV
DG MOVE with same staff mix as Agency	NPV = € 8.86 million	NPV = € 3.0 million	- 66%
Agency with DG MOVE ratios of contract staff	NPV = € 8.86 million	NPV = € 1.4 million	-83%
DG MOVE supervision and control = 6.3 FTE	NPV = € 8.86 million	NPV = € 7.7 million	- 12%
Salary adjustment rate = 3%	NPV = € 8.86 million	NPV = € 8.5 million	-4%
Discount rate = 10%	NPV = € 8.86 million	NPV = € 7.9 million	-11%

Source: Steer Davies Gleave analysis

*Conclusion*

- 4.162 Overall the result of the cost benefit analysis is significantly in favour of the external Agency option which has few negative benefits and a large number of positive benefits which are not easily quantifiable.
- 4.163 The mix of staff is the main driver of costs in the cost benefit analysis. If the staff mix were to be changed at the Agency (for instance replacing all contract staff by temporary staff), the impact on staff costs would be significant. The analysis is also sensitive to the level of

supervision and control by Commission staff. This means retrospectively that adequate staff management and the monitoring of DG MOVE resources was particularly important.

## 5 Conclusions and recommendations

5.1 The Terms of Reference described the key objectives of this ex-post evaluation as:

- To evaluate the remaining period of the TEN-T EA agency, i.e. April 2011 to December 2013

### Conclusions

#### General

5.2 The overall conclusion of the study is that, between 2011 and 2013, the TEN-T Executive Agency performed well the tasks and functions delegated to it by the Commission under the relevant Commission decision, the EU financial regulation and the relevant legislation and regulations. The agency was an organisation that delivered its mandated tasks efficiently and effectively over that period (April 2011 to December 2013).

5.3 There is no doubt that the Agency significantly contributed to the operational enhancement and visibility of the Commission's action in TEN-T across Europe. In addition the Agency was the most cost-effective option available for the implementation of the TEN-T Programme.

5.4 The Agency received overwhelmingly positive feedback on its performance from all stakeholders concerned: project promoters and beneficiaries, Member States as well as Parent-DG staff and Agency staff. There is clear evidence that the level of service offered by the Agency has improved compared to what it had been before the Agency was created.

5.5 We have found that during the period of the evaluation the Agency was a "well-oiled" machine with a fairly small team which allowed the development of a "family" feeling, and a goal driven spirit. This explains how the Agency managed to deliver a robust performance between 2011 and 2012 as well as in 2013 when it was under significant pressure related to a late call arranged to maximise the use of Programme funds but also for preparation work related to the transformation of the Agency into one with a much larger and broader scope: INEA.

5.6 Since the start, the Agency has been set-up and staffed to be an efficient and effective instrument for the Implementation of the TEN-T Programme, and this has not changed. The agency developed a large number of control and reporting mechanisms that allowed it to

receive good feedback from the Court of Auditors, though external stakeholders have sometimes expressed a concern at the increase in bureaucracy and form filling.

## Recommendations

- 5.7 We present below our recommendations. The foundations used to reach these recommendations are presented in Chapter 4.

### *Staff motivation*

- 5.8 One of the key drivers of the success of the Agency is its staff productivity. We recommend that INEA continues to use the effective recruitment procedures developed by the Agency as well as the methods used to maintain a high level of motivation for their staff. This is particularly important as the first few years of INEA are likely to be challenging ones with new Programmes, a new structure, new recruits and a high work load. Through growth, it will be quite difficult for INEA to maintain a small “family feeling”, and therefore efforts should be made to retain the customer-oriented spirit.

### *Role of the Project Officer*

- 5.9 The role of project officer at the Agency is key as these staff members are the “public” face of the Agency in the eyes of stakeholders. It is therefore important for there to be a consistent approach between project officers (which may now slightly vary between units or Programmes managed at INEA) and that best practices in stakeholder liaison are widely understood and used by all officers. We understand that this is part of the role of the senior Project Officers at the Agency who ensure that there is consistency and coordination of approach and best practice. This is why as INEA undertakes a significant period of change management and training with new Programmes or the addition of new staff, it is important that the culture of cooperation and proactive support with stakeholders at the Agency continues.

### *Continuity of communication between Project Officers and external stakeholders*

- 5.10 It is important that external stakeholders are aware who to contact in the absence of their dedicated Project Officer. Continuity management for key contacts (at the Agency or at stakeholder’s organisations) needs to be focussed on so that contact details are constantly updated. The possibility for more than one contact person to be provided should also be examined: it would be useful if a shortlist of persons inside a Member State or Beneficiary organisation could be copied on the emails sent by the Agency, even if there is officially only one contact person.

### *Increased administrative burden*

- 5.11 There is a risk that the paper trail required from beneficiaries and/or project proponents increases, and some stakeholders have already pointed out the problems with increased administrative burden. An independent assessment of the forms to be submitted, the frequency, etc., might be instructive to see whether economies of scale or streamlining of the processes could be introduced. The discussions and recommendations of the Advisory Group set out by the Agency to discuss procedural issues relating to project application and implementation is important in this context.

### *Information during bids/first time bidders*

- 5.12 There is a concern expressed by stakeholders (even from experienced bidders) that a genuine mistake in a very complex bid may disqualify them during the application process for CEF funds. We recommend that the Agency analyses possible mitigations as well as their impact on the need to offer a fair and transparent competitive environment. We do not necessarily recommend that the Agency changes its ways of working, but instead that it studies the

outcome of bids: are new bidders less successful than more experienced bidders, are bidders using an external consultant more successful than those without, etc.? The results of the analysis might be used to provide ideas to improve the procedures, or to identify particular stakeholders who might be disadvantaged by the current arrangements.

#### *Calendar of events*

The current annual organisation of the work at the Agency means that during the spring term two processes run in parallel: the evaluation of ASRs submitted by beneficiaries as well as the evaluation of proposals received during the Calls. For legal reasons the ASRs cannot be moved. The calls are fixed by DG MOVE on the basis of political considerations and we therefore recommend that the Agency considers if a better calendar of Calls can be agreed to even out the peak workload of the Agency.

#### *IT tools*

- 5.13 As the volume of work and Programmes under management increases at INEA, increased availability and greater reliability of IT tools would support the effective and efficient implementation of the Programme. We recommend, for instance, that good use is made of the Agency website to direct applicants towards the various language versions of key documents, that there is a shift of all documentation submission to electronic format, through TENtec and/or electronic means, including the submission of the Interim financial reports.

#### *Communication with Parent DGs*

- 5.14 The communication between the Agency and DG MOVE has, to date, always been excellent. We recommend that efforts are made to maintain this level of communication, as well as between the Agency and its other Parent DGs. Some consideration also needs to be given to ensure adequate communication directly between INEA and the other parent DGs, so that information transfers can happen as effectively as with DG MOVE and at all reporting levels.



# A Appendix A: Stakeholder consultation

A.1 We present below the list of stakeholders consulted.

*TEN-T Executive Agency (TEN-T EA)*

A.2 The list of stakeholder contacts from the TEN-T EA is provided below.

**Table A.1: TEN-T EA staff interviewed**

Entity	Title
TEN-T EA	Executive Director of INEA
TEN-T EA	Former Head of Unit T1: Resources
TEN-T EA	Head of T2 Unit: Road & Rail Transport
TEN-T EA	Former Deputy Head of Unit T2: Road & Rail Transport
TEN-T EA	Former Deputy Head of Unit T3: Air, Waterborne Transport, Logistics, Innovation & Co-Modality
TEN-T EA	Former Head of Unit T4: Technical & Financial Engineering, GIS & Monitoring
TEN-T EA	Former Head of Internal Audit
TEN-T EA	Head of Human Resources
TEN-T EA	Assistant to the Executive Director
TEN-T EA	Head of the Legal Team
TEN-T EA	Senior Project Manager
TEN-T EA	Project Officer
TEN-T EA	Project Officer
TEN-T EA	Financial Officer
TEN-T EA	Project Manager at INEA – formerly DG REGIO liaison

*European Institutions*

5.15 The list of stakeholder contacts from the European Institutions is displayed below.

**Table A.1: European Institution staff interviewed**

Entity	Title
DG MOVE	Head of Unit, Unit B.1 Trans-European Transport Networks, DG MOVE
DG MOVE	Head of Unit, Unit B.4 Connecting Europe Facility, DG MOVE
DG MOVE	Deputy Head of Unit, Unit B.1 Trans-European Transport Networks, DG MOVE, former TEN-T Agency liaison officer
DG MOVE	Policy Officer, Unit B.4 Connecting Europe Facility, DG MOVE
DG MOVE	TEN-T Agency liaison officer, Unit B.4 Connecting Europe Facility, DG MOVE
DG ENV	Policy Officer
DG REGIO	Policy Officer
DG REGIO	Policy Officer



Entity	Title
EIB	Director

#### *Other contacts related to EU*

5.16 Other contacts are listed below.

**Table A.1: Other EU related contacts interviewed**

Entity	Title
Unknown	External Evaluation Expert for TEN-T

Note: the European Court of Auditors was contacted but declined to participate.

#### *TEN-T Promoters*

5.17 The list of stakeholder contacts from the TEN-T Promoters is displayed below.

**Table A.1: TEN-T Promoter contacts interviewed**

MS	Entity	Title
SI	Ministry of Infrastructure of Slovenia	No title provided
IT	Provincia di Ferrara	Responsabile U.O.C. Programmi Comunitari e Fund Raising
AT	Industrie-Logistik-Linz GmbH	Projektmanagement
AT	ÖBB-Infrastruktur AG	Stab Controlling / Rechnungswesen
IT	Ferrovie dello Stato Italiane S.p.A.	Direzione Centrale Finanza
BE	Departement Mobiliteit en Openbare Werken Haven- en Waterbeleid	Adviseur-ingenieur
BE	INFRABEL	Chef de division I-F.21 Reporting & Controlling - Investissements
NL	Rijkswaterstaat Grote Projecten en Onderhoud	Manager projectbeheersing Maaswerken Coördinator TEN-T team Sluizenprogramma
ES	ADIF	Dirección de Planificación Financiera y Presupuestos
SE	Swedish Maritime Administration	No title provided
SE	SSPA	Project Manager
SE	Fjordline	Stab Controlling / Rechnungswesen
IT	Gruppo Clas (TEN-T tech assistance to Provincia di Ferrara)	No title provided

Note: An additional four stakeholders were contacted but declined to participate.

#### *Member States*

5.18 The list of stakeholder contacts from the Member States is displayed below.

**Table A.1: Member State contacts surveyed**

MS	Entity
BE	Haven- en Waterbeleid
BE	Service Public Fédéral Direction Politique de Mobilité durable et ferroviaire
BE	Service Public Fédéral Direction Politique de Mobilité durable et ferroviaire
BE	Service Public Fédéral Direction Politique de Mobilité durable et ferroviaire
BE	Department of Mobility and Public Works (Flanders)
BE	Service public de Wallonie (SpW)
BG	Ministry of Transport
DK	Ministry of Transport
FI	Ministry of Transport and Communications, Transport Policy Department
DE	Bundesministerium für Verkehr und digitale Infrastruktur
EL	Ministry of Development and Competitiveness, General Secretariat of Public Investments - NSRF
EL	Ministry of Development and Competitiveness, General Secretariat of Public Investments - NSRF
HU	Ministry of National Development
HU	Ministry of National Development
IE	Department of Transport, Tourism and Sport
IT	Ministero della Infrastrutture e dei Trasporti
LV	Ministry of Transport of the Republic of Latvia
LT	Ministry of Transport and Communications of The Republic of Lithuania
MT	Integrated Transport Strategy Directorate, Transport Malta
PL	Ministry of Infrastructure and Development, Transport Policy Unit, Department of Infrastructural Programs
PT	Ministry of Economy
SI	Ministry of Infrastructure
ES	Ministerio de Fomento
UK	Department for Transport

Note: Another 17 stakeholders were contacted but declined to participate.

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