EASA
European Aviation Safety Agency

Annual Activity Report
2014

Management Board's analysis and assessment

ANALYSIS AND ASSESSMENT OF THE ANNUAL ACTIVITY REPORT OF THE AUTHORISING OFFICER FOR THE YEAR 2014

THE MANAGEMENT BOARD,

Having regard to the Regulation (EC) No 216/2008 of the European Parliament and of the Council of 20 February 2008,

Having regard to the Financial Regulation of the European Aviation Safety Agency (MB/06/2009) and in particular Article 40 thereof,

Having regard to the Work Programme of the European Aviation Safety Agency for the year 2014 adopted by the Management Board at its meeting of 5 June 2013,

Having regard to the Annual Activity Report of the Authorising Officer of the European Aviation Safety Agency for the year 2014 as submitted to the Board in March 2015,

1. Welcomes the results presented in the Annual Activity Report of the Authorising Officer as well as the performance achieved in discharging the tasks under EASA's Basic Regulation 216/2008.
2. The activity report is considered by the Management Board to provide a faithful and comprehensive account undertaken by the Agency in 2014. It notes that most of the actions outlined in the Annual Work Programme 2014 were achieved.
3. The Management Board also welcomes that the contents of the Annual Activity Report follow those of the Annual Work Programme 2014. The Agency is strongly encouraged to continue this practice in future reporting linking closer the two documents.
4. As part of providing the building blocks of assurance the Management Board is pleased to note the assessment of the audit results and the follow-up of audit recommendations.
5. The Management Board welcomes the addition of a special section describing the actions taken to prevent and manage conflict of interest.

Based on the report as well the co-operation with the organisation I can see high level of ambition for further and continuous improvement of the performance within the Agency.

Brussels, 2rd June 2015

For the Management Board

Pekka Henttu

Chair of the Management Board

An agency of the European Union

Executive Summary

2014 has been a very challenging year for the European Aviation Safety Agency (EASA) and for aviation safety in general. The disappearance of MH370, the dramatic accident of MH17, the crash of Air Asia QZ8501, the radar interferences over central Europe have reminded us that the safety of passengers can never be taken for granted.

Aviation is a dynamic sector, constantly evolving and reinventing itself with innovative business models and new technologies. In turn, regulators are faced with the challenge to be more efficient and flexible, and to adapt themselves to the needs of the industry.

To achieve this goal, EASA initiated in 2014 fundamental changes in the way it operates in order to allow for a more proportionate and performance based approach to safety. In particular EASA adopted a new approach to simplify and lighten the way General Aviation is regulated and overseen in Europe. This approach focuses on safety culture, safety promotion and, finally… common sense; it should also be seen as the precursor for a better, lighter approach to aviation regulation in Europe, with the ultimate goal of increasing the level of safety.

EASA has also reviewed its organisational structure in 2014 to prepare itself for the many challenges it will face in the next 10 years, including new opportunities to enhance its role. A new Strategy and Safety Management Directorate was created to develop a single more transparent, evidence-based and data-driven strategy, which will drive the work programme of the Agency. The rule-making activities were incorporated into 'operational' directorates, in order to increase synergies and benefit from a better and direct operational feed-back.

In parallel EASA remained focused and robust on its key traditional activities: the Airbus A350 which was delivered in 2014 to its first customer Qatar Airways was certified by EASA in September. It is the first commercial aircraft entirely certified by EASA from the application to the type certificate.

- In addition, EASA made a number of key proposals in 2014:Technical solutions for flight tracking, Voice recorders and Underwater Location devices in line with the framework set by the International Civil Aviation Organisation (ICAO),
- to build a European alert system to assess, qualify and share the information available in order to help airlines perform their risk-assessment when flying over conflict zones,
- a new technical approach to controller-pilots communication via Data-Link, in order to solve the current operational problems,
- a comprehensive investigation report on the radar interferences situation of summer 2014.

While reinforcing the role of EASA at the centre of the European Aviation regulatory system, the changes initiated in 2014 aim at engaging closely and more pragmatically with the aviation industry and enhancing the cooperation with national authorities in order to better work together to offer the best services to European citizens.

The present Annual Activity Report details the achievements of EASA in 2014.

Patrick Ky

Executive Director

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1. Achievements of the year

1.1 Strategic Safety

1.1.1 Objective and scope

Strategic safety brings together the Agency's safety management activities. The sharing of roles, as described in the Agency's Basic Regulation, means that the Agency, the Member States and the Industry work together to implement a safety management system at European level within the framework of the European Aviation Safety Programme (EASP). The programme relies on the acquisition of data, analysed in a timely manner, to ensure sound information is used for the mitigation of the main risks affecting Europe as a whole. Account was taken of ICAO Annex 19. Feedback mechanisms are a key part of the programme.

The Agency applies rigorous processes to monitor the level of safety of European aviation and especially:

- To support efficiently reactive safety processes, in response to safety investigations or reported occurrences
- To produce Safety Intelligence and Performance information, and in particular information on global/systemic safety issues, through analysis of safety data or research efforts

1.1.2 Main achievements in 2014

1.1.2.1 Safety Advancement, Planning, Promotion and Initiatives

In 2014 the Agency has started work to develop a Safety Risk Portfolio to support both the assessment of safety issues before they are incorporated in the EASp and the integration of the various programming activities. A report containing the progress made towards implementing the 82 actions standing at the beginning of 2014 has been issued by the Agency[1].

The implementation of the EASp is extended to 45 States: 32 Member States plus the 13 States outside the EASA system that are members of ECAC. 31 Member States plus 10 non-Member States have nominated focal points. 21 action reports have been received in 2014. The Agency has prepared two detailed reports summarising the progress reported by States towards the implementation of their EASp actions[2] and has hosted one EASp implementation and review summit in 2014.

The European Strategic Safety Initiative (ESSI)[3] continued in 2014 to develop safety promotion material addressing identified safety risks and best practice material regarding Management Systems (MS/SMS – Safety Management System).

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[1] (http://www.easa.europa.eu/system/files/dfu/Annex%20A%20-%20EASp%20Status%20Report%202014%20-%20FINAL.pdf)

[2] (http://www.easa.europa.eu/easa-and-you/aviation-domain/safety-management/sms---safety-management-system/sms-europe)

[3] The Safety Teams: ECAST, EHEST and EGAST. ESSI is a voluntary safety partnership that brings together aviation authorities, the industry and international partners such as ICAO and the FAA.

A European Helicopter Safety Team (EHEST) report on the Safety Benefits of Technologies and a 2nd edition of the EHEST Safety Management Toolkit for Non-Complex Operators were published in 2014.

New European General Aviation Safety Team (EGAST) leaflets addressing the safe use of advanced navigation technology, stall and spin and Flight Information Services (FIS) was published in 2014.

The safety teams continued to develop cooperation with the US Commercial Aviation Safety Team (CAST), the International Helicopter Safety Team (IHST) as well as with the ICAO (International Civil Aviation Organisation) Regional Aviation Safety Group (RASG).

1.1.2.2   *Safety Analysis & Reporting*

Safety Analysis has been heavily involved in supporting the European Commission with the implementation of Regulation (EU) 376/2014 on the reporting, analysis and follow up of occurrences in civil aviation. In the early part of 2014, this involved revision of the text of the Regulation prior to its adoption in April 2014. Since the adoption the Agency has been working with the Member States towards ensuring all the necessary activities are completed before the Regulation comes into force in November 2015. This has included the development of Implementing Regulations on the list of mandatory reportable occurrences and the technical means in the ECCAIRS (European Co-ordination Centre for Aviation Incident Reporting Systems) system and the European Central Repository (ECR) to store, manage and analyse the occurrences collected under the Regulation. In addition, in October 2014 the Agency was formally tasked by the European Commission to establish and lead a cross-industry group on the development of the European Risk Classification Scheme. The Agency has also led the improvement of aviation taxonomies at a European Level through their chairmanship of the ECCAIRS Taxonomy WG (Working Group) and in 2015 the WG has completed a significant review of the Event Types taxonomy to enable improved coding of human and organisational factors. As members of the CAST ICAO Common Taxonomy Team (CICTT) the Agency has also supported the coordination of taxonomies at a global level.

In terms of safety analysis activity, the Agency has once again produced its Annual Safety Review to provide an overview of aviation safety in the Member States. The Agency has also commenced the development of a new European Safety Analysis Strategy that will establish a closer link between analysis and the EASp. It will also strengthen the coordination between EASA and the Member States through closer integration of the Network of Analysts (NoA). Through the NoA, the Agency has also continued to coordinate activities between the Member States on the sharing of safety risks and actions in their State Safety Plans (SSps).

In addition, this work has and will continue to support the Single European Sky ATM Performance Scheme. Both the improvements to the taxonomy and the improved sharing of information, particularly through the NoA, enable the Agency to better understand causal factors, thereby assisting in the derivation of better safety KPIs.

1.1.2.3   *Safety Information, Reporting and Corrective Action*

Please refer to 1.3.2.2

1.1.2.4   Accident/Safety Investigation Authority

The Agency has supported the European Commission in the establishment of the new Regulation (EU) 376/2014 and its Implementing Rules taking into account already existing reporting requirements defined in the frame of EASA Basic regulation and its remits. It has started to adapt the EASA Internal Occurrences Reporting System to its new obligations by establishing a central repository for collecting the full scope of occurrences sent to the Agency ranging from voluntary contribution up to fatal accident. This database centralises reports sent to EASA as Competent Authority and originating from industry manufacturers, production organisations, non-EU organisations but also safety investigation authorities. It has also supported the industry in workshops dedicated to the implementation of the new reporting requirements.

In line with the growing awareness of Safety Issues, the Agency has worked in cooperation with the European Network of Civil Aviation Safety Investigation Authorities (ENCASIA) in the development of the central EU Safety Recommendation Information System, gaining access for all EU civil aviation authorities and ensuring a wider knowledge of recommended safety improvements. This enables EASA to keep a wider monitoring of corrective actions that were launched in the aftermath of accidents, learning from investigation reports and reinforcing safety measures.

Focused activities were maintained on the safety of off-shore helicopters operations and on the access to information on safety risks when flying over conflict zones as evidenced by the B777 crash of the flight MH17 in Ukraine. As a follow-up to several accidents, the Agency has published Opinion 01/2014 amending requirements for flight recorders and underwater locating devices and also actively supported the European Union in the study and implementation of aircraft flight tracking objectives to prevent the loss of aircrafts such as the B777 Malaysia Airlines Flight 370 or the A330 AF447, found in the Atlantic Ocean 2 years after the crash.

This activity was continued with a flow of 82 draft investigation reports reviewed in 2014 and 88 Safety Recommendations received.

1.1.2.5   Research and Foresight

Concerning the Research activities, the Agency's research strategy went through a major change in 2014.

With the globalisation of the market and the increasing pace of change of technology and business models, the Agency can no longer limit itself to research focusing mainly on its internal needs. New challenges such as complex supply chains, virtual certification, 3D printing of aviation components, the proliferation of small drones just to name a few are already being addressed by the main aviation authorities in the world.

EASA just does not have the financial or structural means to also be an actor, not to mention a leader in the world. If this is not remedied, Europe will be a major industrial actor in global aviation with a minor role in setting regulatory standards.

In order to remedy this, EASA proposed in 2014 a 4-pillar strategy:

1. Giving EASA a central role in the aviation research framework in Europe to ensure the right research is carried out
2. Financing EASA's role in the research initiatives to ensure the research is being done right

3. Enabling EASA to launch and monitor research in domains not covered by Horizon 2020 to the accelerated pace of innovation in some field or the lack of interest in industry, and

4. Creating a mechanism for EASA to carry out very urgent and precise research and studies which are required to react to accidents or incidents and to support urgent EU needs

Following areas of need for urgent research or studies have already been identified: transport of Lithium batteries by air, cyber-security, operational risk of small drones, loss of control in flight, loss of control prevention in general aviation, severe weather phenomena, weather nowcast and alerting, surveillance of non-cooperative aircraft, tamper-resistant aircraft localisation, cabin air quality…

This new approach will be proposed for adoption in 2015 and the different mechanisms will be set up during the year. Full implementation is envisaged in 2016, thus allowing EASA to play the role it should.

In the meantime, EASA is also continuing the studies according to the former principles. A list of 2014 Studies and Research Projects is provided in Annex 11. Amongst several other projects of relevance for the safety activities of the Agency, the following two are highlighted below:

- The completion of the first phase of a project aiming at define the ice water content of clouds at High Altitude
- The launch of a project on cabin air quality, that will be include an independent cabin air quality measurement campaign

In addition, through the participation in an EU-funded coordination action, the main gaps with long-term Flightpath 2050 goals and ACARE (Advisory Council for Aeronautics Research and Innovation in Europe) safety objectives are being identified and recommendations for future research are being made.

1.1.2.6   Human Performance

Taking into account the priorities and action items of the European Aviation Safety Plan (EASp) the integrated Human Factors Plan has been further developed, actions been followed and initiatives launched with respect to regulations, advice, training, licensing and audits.

The European Human Factors Advisory Group supported the Agency in several rulemaking tasks and its future orientation concerning human factors activities in areas such as safety performance indicators in maintenance, good human factors practice in design and certification, and human factors issues in CRM training and CRM experience in day-to-day operation.

As partner of OPTICS (Observation Platform for the Technical and Institutional Consolidation of Safety Research) the Agency and Eurocontrol held a human factors workshop focused on the first OPTICS question: are we doing the right research for aviation safety, here: human factors? The workshop concluded on priorities and recommendations for future human factors research.

1.1.2.7   Transversal activities

European Aviation Crisis Coordination Cell

The Agency is an active member of the European Aviation Crisis Coordination Cell (EACCC). In 2014 the Agency participated to the activities of the EACCC, which included crisis related activities (Ebola Outbreak, Pre-Volcanic Eruption situation, B777 MH 17 accident), exercise related activities (Volcex), and other regular working meetings and workshops with State Focal Points, aimed at increasing the preparedness of the European aviation community to crisis situation.

Alerting System for Risks Arising from Conflict Zones

The Agency has intensified its contacts with certain States and with European institutions, in order to find a way to provide operational advice to operators for risks arising from conflict zones, based on the best available information. It has also issued several Safety Information Bulletins.

European Data Exchange Programme for Aviation Safety (Big Data)

With the objective to enable a step change in the safety analysis capabilities available at European level, and in order to achieve the transition from a reactive to a proactive safety system, the Agency has launched a feasibility study for safety data exchange programme that would involve a large number of European stakeholders.

Remotely Piloted Aircraft Systems (RPAS)

With the publication of the European Commission Communication on the issue, the Agency has significantly increased its involvement in RPAS. It has created a section in the Certification Directorate to guide the Agency's activities in the field of RPAS. The Agency has also increased its international outreach by taking the chairmanship of the Joint Authorities for rulemaking of Unmanned Systems (JARUS) and by hosting the organisation secretariat. The Agency has also taken an active role in the ICAO RPAS panel.

1.2 Regulation

1.2.1 Objective and scope

The Agency manages and coordinates the preparation of EU legislation related to the regulation of civil aviation safety and environmental compatibility. In this context, EASA produces and submits opinions for European regulations and implementing rules to the European Commission and adopts non-binding standards for implementing the rules (i.e. certification specifications, acceptable means of compliance and guidance material).

In 2014, the Agency further continued its activities aiming at drafting the legislation and related non-binding standards in order to complete the set of regulations. Ensuring the timely delivery of airworthiness rules remained a major challenge in 2014, together with the work related to the revision of the Basic Regulation.

1.2.2 Main achievements in 2014

1.2.2.1 Production of new rules

In 2014, the Agency focused on the introduction of the concept of level of involvement (LoI) in order to comply with ICAO SARPS (ICAO Standards and Recommended Practices) and contribute to address the systemic issues mentioned in the EASp. To allow the implementation of the newly introduced Operational Suitability Data rules, the Agency issued several Certification Specifications (CS) as well as acceptable means of compliance and guidance material. The reorganization of CS-23 is a key project enhancing safety of General Aviation (GA), while reducing the certification costs.

The Agency continued its work in finalising all annexes of the AIR OPS Regulation. The Commission published the last package of the initial OPS rules (Part‑SPO on Specialised Operations and CAT (A-A) & CAT(S, B)). The associated acceptable means of compliance (AMC) and guidance material (GM) were published by the Agency on the same day.

Furthermore, following the Commission's adoption of the FTL (Flight Time Limitations) and TCO (Third Country Operators) rules, the associated AMC and GM were published in the first quarter 2014.

Other key deliverables in the OPS domain included amended AMC and GM for the standardisation of ramp inspections and ramp inspector qualifications, an Opinion on flight recorders and underwater location devices in response to recent safety recommendations as well as amended AMC and GM related to Portable Electronic Devices, providing more flexibility to operators.

In 2014 the Agency continued the work related to the licensing annex to the Bilateral Aviation Safety Agreement (BASA) together with the FAA (Federal Aviation Administration) and the Commission. The first package of this annex covers the Private Pilot Licence, the night and the instrument rating. The technical work on the draft documents of the annex itself and the Implementation Procedures (IPL) were completed.

Furthermore, two amendment packages for Part-FCL (Flight Crew Licensing) of the Aircrew Regulation proposing changes in line with the General Aviation GA roadmap, addressing major ICAO amendments and solving identified implementation problems were adopted.

The European Central Question Bank (ECQB) project was launched in 2014 in the context of support to Member States. It aims to implement a new system for the delivery of the Question Bank used by Member States for the theoretical knowledge examinations for commercial licences and the instrument ratings.

In the ATM domain a solid common regulatory framework, as a basis for true implementation of Single European Sky, was finalised. Common rules on Air Traffic Controller licensing were adopted by the Committee and all necessary AMC and GM was finalised pending the formal publication of the Regulation. As regards ATM/ANS (Air Traffic Management / Air Navigation Services) service provision and oversight the EASA Opinion was issued. Also in relation to SERA (European Rules of the Air) the work was finalised by issuing the EASA Opinion on SERA Part-C. This allowed the Agency to put further effort in the regulatory tasks related to the deployment of SESAR. In relation to this the NPA on Performance Based Navigation implementation in Europe was drafted in 2014.

In 2014 the Agency put in force the first set of Aerodromes rules at European level. All related Opinion as well as CS, AMC and GM were issued. With NPA 2014-21 on "Update of CS ADR-DSN.D.260 Taxiway minimum separation distance", a significant step has been taken to adjust the regulatory framework of airports for modern, larger aircraft, hereby going ahead of the respective ICAO development.

Finally, the Agency issued in 2014 the Opinion for implementing the decisions from CAEP/9 (ICAO Committee on Aviation Environmental Protection, 9th meeting).

The Agency published 33 Decisions and 5 Opinions in 2014. The complete list of Decisions, Opinions and Notices of Proposed Amendment can be found in Annex 10: Decision, Opinions and Notice of Proposed Amendments (NPAs) in 2014.

1.2.2.2   *Support to rules*

The main challenges of the activity are:

- to assist the Member States and the Industry at an adequate level during the implementation of the new regulations;
- to review Article 14 exemptions and derogations' requests as well as review alternative means of compliance;
- to increase the production of Technical Publications
- to consolidate processes for the development of a risk‑based rulemaking programme.

Supporting the implementation of the new rules was a major activity. Significant time was devoted to communicate with Member States and stakeholders, including an increased attendance at external events, regional workshops and conferences organised by the Member States.

A close cooperation with the Standardisation Directorate facilitated the most optimal support to Member States and Stakeholders on the new regulations related to the first and second extension.

1.2.2.3   *Coordination with ICAO and rule harmonisation with third countries*

In 2014 EASA was fully involved in the ICAO activities related to safety related SARPS in order to assure consistency and support to the European approach. The Agency participated in

panels/working groups such as Aerodrome Design and Operations Panel, Airworthiness Panel, Flight Operations Panel, PBN (Performance Based Navigation) Study Group and RPAS.

For environmental protection, the emphasis continued to be proactive in the ICAO Committee on Aviation Environmental Protection (CAEP). The key work items in ICAO/CAEP 2012-2016 timeframe were: the development of CO_2 requirement and standard; helicopter noise; new requirement on Particulate Matter and emerging tasks such as the development of verification method for noise contour calculation data (with regard to the Balanced Approach for Noise) and noise certification of supersonic aircraft.

The participation of the Agency in ICAO expert groups is decided centrally, through the Internal International Standards Committee (IISC) in order to maximise the use of financial and human resources and facilitate a more effective rulemaking process, thus positioning the Agency to better promote common European positions in ICAO SARPs development (at the earliest possible stage).

IISC also determines the participation of the Agency in the different Standardisation Bodies Working Groups (EUROCAE, ASD-STAN, ASTM, SAE, RTCA …) aimed to provide AMC to Certification Specifications, or regulations.

The Agency contributed to the exposure and promotion of EASA regulations with third countries by supporting those making use of our rules. Those activities are channelled through the International Cooperation Forum and by a number of technical cooperation projects and Memoranda of understanding (e.g. UAE).

1.2.2.4 Regulation related tasks

The basis for a risk-based and integrated Rulemaking programme was put in place in 2014. This required coordination with other Agency core activities such as Standardisation, Safety Recommendations process, EASp and Certification activities.

With the applicability of the first extension rules, Article 14 exemptions and derogations have increased in 2014. A dialogue with the Commission started in 2014 to see how better managing the workflow related to addressing exemptions and derogations.

1.3 Product Safety Oversight

1.3.1   Objective and scope

The Agency is responsible for the airworthiness and environmental certification of aeronautical products, parts and appliances. This responsibility encompasses the initial type certification, including operational suitability data and a variety of related certification activities, such as supplemental type certifications, approval of changes to type certificate and of repair design. Furthermore, it also covers activities to ensure the continuing airworthiness of the certified products, parts and appliances during their entire operational life. This includes identifying and reacting without undue delay to safety problems and issuing and disseminating the applicable mandatory Airworthiness Directives (AD).

The Agency provides also services to external stakeholders, such as the approval of MRB (Maintenance Review Board) reports, the Certification Support for Validation (CSV) of Certificates outside the EU and Technical Advice Contracts upon request of industry, aviation authorities or other public institutions.

1.3.2   Main achievements in 2014

1.3.2.1   Initial Airworthiness and Environmental Certification

The total amount of applications received during 2014 is stable compared to the 2013 levels. More specifically: the number of incoming type certificate applications increased, mainly in the general aviation and propulsion sectors; the number of major changes and derivatives also increased, mainly for large aeroplanes and engines (e.g. derivatives: Airbus A330-900neo, Boeing 777-9x, Boeing 787-10 and Embraer 175 E2), as well as the number of European Technical Standard Order Authorisation (ETSOA) applications. On the contrary, the number of minor changes and minor repairs decreased together with the approvals of aircraft flight manual changes.

In this context, the Agency accepted for the first time type certification applications for Remotely Piloted Aircraft Systems (RPAS) to be used in the field of civil aviation (e.g. the Atlante from Airbus Defence and Space).

Figure 1: Applications submitted to the Agency for the certification activities in 2014
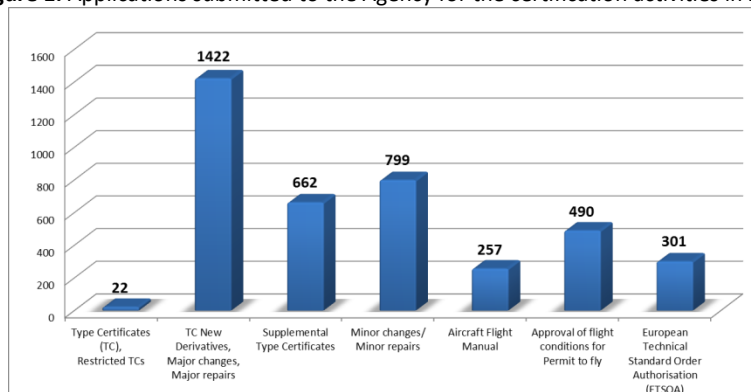
The total amount of certificates issued during 2014 (3.221) is slightly below 2013 levels, mainly due to less applications for aircraft flight manual and minor changes. Type certificates were issued among others for three helicopters (Airbus Helicopter EC 175B, Agusta Westland AW 189 and

Robinson R66) and one large aeroplane (Airbus A350). A total of 15 new Type Certificate Data Sheets for Noise (TCDSNs) were issued during 2014 and a total of 63 TCDSNs were revised.

Figure 2: Approvals issued by EASA during 2014

In the area of initial airworthiness one of the main achievements is the integration of the Operational Suitability Data (OSD) into the Type Certificate, after the entry into force of the Commission Regulation (EU) No 69/2014 on 17th February 2014. During 2014 the existing working methods have been revised (e.g. OSD experts fully involved 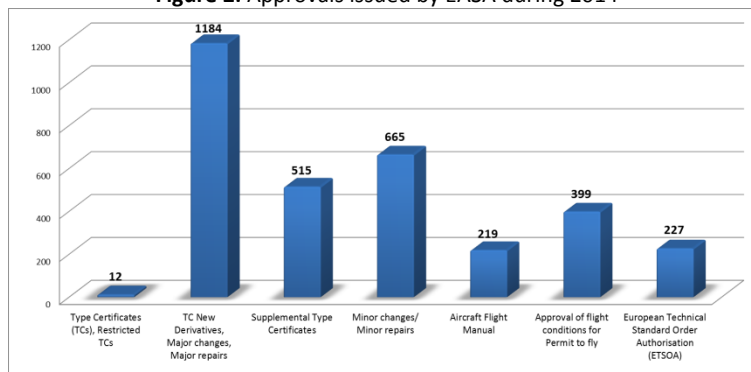in the type certification process and the nomination of the OSD Chief Expert) and the related Certification Specifications have been published (CS MMEL, CS-GEN-MMEL, CS-CCD, CS-FCD, CS-SIMD). In parallel, a significant amount of hours has been invested on the catch up of existing Operation Evaluation Board (OEB) reports to OSD approvals, in accordance with the applications received and as defined in the aforementioned regulation.

In addition, the Agency further developed the concept for the determination of its technical involvement in the certification activities, based on tangible criteria. The related rulemaking task aiming at Part-21 adjustments is progressing in parallel. A Notice of Proposed Amendment (NPA) was published the 2nd of March 2015.

In the framework of the Bilateral Aviation Safety Agreements (BASA), the first revision of the Technical Implementing Procedure (TIP) with ANAC-Brazil and the fourth revision of the TIP between EASA and the FAA took place during 2014. In addition, after the entry into force of the BASA EU-Brazil, the first Joint Sectorial Committee with Brazil was organised in April.

1.3.2.2   Continuing Airworthiness Oversight

The Agency dedicated a significant amount of hours to continuing airworthiness oversight, increasing the overall volume in comparison with 2013 level. This was due to the continuous increase in the fleet size, the increase in the available safety information and resulting from specific events, e.g. the EASA in-depth work on offshore helicopter safety actions following the 2012 and 2013 North Sea accidents and the relevant recommendations to the Agency.

The Internal Occurrence Reporting System (IORS), which collects incoming safety information and supports analysis and follow‑up by technical staff in a consistent and effective manner, played an important role. As a result of the continuing airworthiness oversight activities the Agency issued 342 AD (including revisions and corrections) and 26 Emergency Airworthiness Directives (EAD). The detailed list can be found in the AD publication portal at http://ad.easa.europa.eu/. The following diagram shows an extract per product category.

Figure 3: AD and EAD issues by EASA during 2014
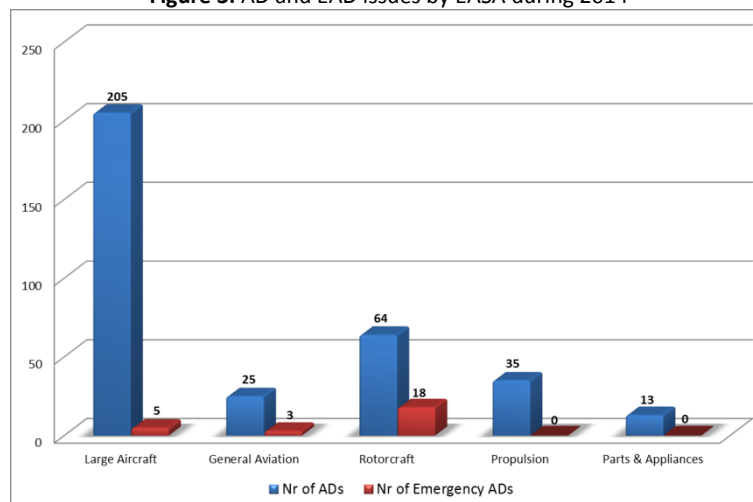
The total number of applications received during 2014 (75) for the Alternative Method of Compliance (AMOC) is slightly below 2013 level.

In addition, 45 Safety Information Bulletins (SIB) were published. More specifically, the Agency published SIB not only related to airworthiness matters but also on operational matters (E.g. 'Ebola Virus Disease (EVD) – Operational Recommendations') and on conflict zones (E.g. South Sudan and Mali). 188 foreign ADs (including revisions and corrections) were also adopted and 31 Foreign Safety Advisory Information publications were uploaded onto the AD portal.

Furthermore the Agency enhanced the cooperation with both NAAs and bilateral partners. For instance, videoconferences have been organised with NAAs on specific continuing airworthiness items.

1.3.2.3   *Product Safety Oversight related services*

During 2014 the Agency received 558 applications to support the validation of EASA certificates/approvals in third countries (CSV). In this context the Agency provided its technical support, taking into account the existing bilateral agreements and working arrangements. It is worth mentioning the validation of the Airbus A350 certificate by the FAA.

1.3.2.4   *Expertise and Support for other Agency processes*

The technical staff working mainly in product safety oversight activities has also been involved in other processes within the Agency. For the main achievements please see the details in the Regulation, Organisation, International Cooperation and Inspection of Member States chapters.

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1.4 Organisation Approvals

1.4.1   Objective and scope

EASA is responsible for approving design organisations wherever they are located as well as those responsible for production, maintenance, maintenance training and continued airworthiness management outside the territory of the Member States. It also includes approving production organisations located within the territory of one or more Member State(s), if requested by the Member State(s). The ATM/ANS section supports the European Commission on the oversight of the Network Manager Function in Eurocontrol, and has taken over the EGNOS (European Geostationary Navigation Overlay Service) oversight and the approval and oversight of ATCO (Air Traffic Controller) training organisations outside of Europe. As of 2014, the Flight Crew Licensing Organisation Approval (ATO & AeMC) section is fully operational with regard to approval and oversight of Approved Training Organisations for Flight Training, Aeromedical Centres and Flight Simulation Training Devices (FSTD), located outside the EU Member States.

1.4.2   Main achievements in 2014

Organisation approvals activities have grown steadily in 2014, including Design Organisation Approvals (DOA) / Alternative Procedure (AP) to DOA, Production Organisation Approvals (POA) and Maintenance/Continuing Airworthiness Organisation Approvals (MOA/MTOA/CAMO). The workload on surveillance of the Airbus European Single Production Organisation Approval (SPOA) slightly increased with ramp-up of production rate, new programs (approval of A350), increasing number of significant changes and non-European locations (new Final assembly line in USA in process). The figures related to organisation approvals can be summarised as follows:
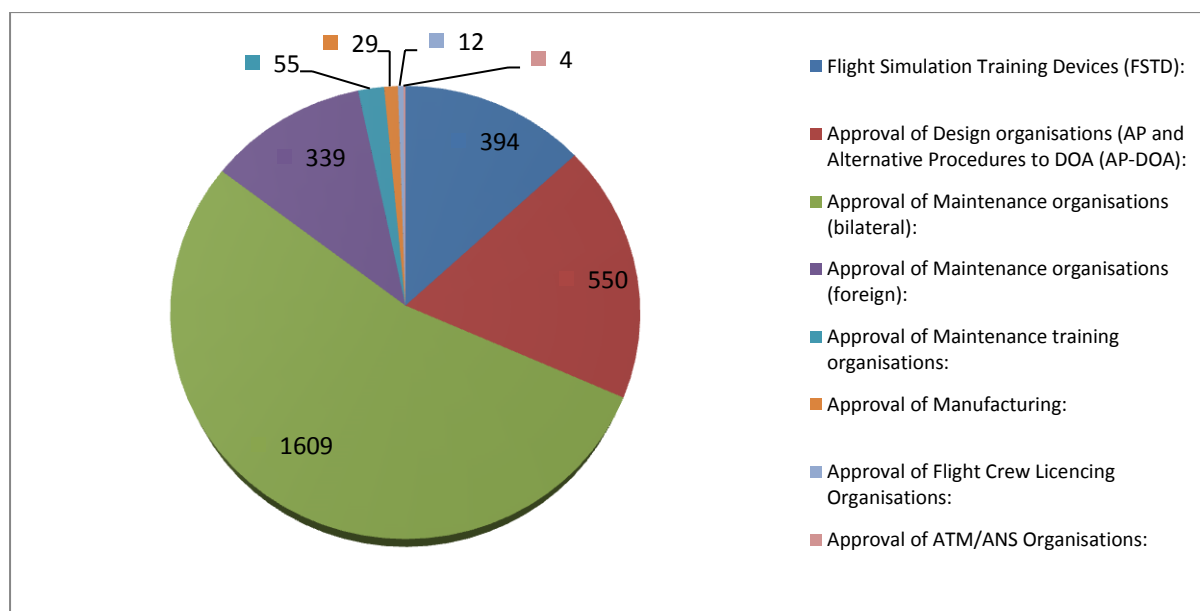
Design Organisation Approvals

On 31 December 2014, 311 DOA (Design Organisation Approvals) in total were issued, of which 250 have been handled by the Agency. 61 were investigated on behalf of EASA by NAAs. 94 organisations were under initial assessment for DOA and 40 for AP to DOA. The portfolio of on-going applications

has increased by 17% between 2013 and 2014. Outsourcing figures are slightly decreasing as new applications are systematically allocated to EASA DOA Team Leaders.

The transition of the DOA section (S.2.1) to the new DOA Department (CT.6) in the context of the convergence project was performed successfully, with no impact on the business.

The DOA workshop with the industry, organised in November 2014, was again very successful with the participation of more than 300 people.

Production Organisation Approvals

In the end of 2014, 28 EASA POAs (Production Organisation Approval) in total have been issued to foreign production organisations (significant number of new POA approvals issued in 2014 – 8 POAs), one Single POA to Airbus and 4 Letters of acceptance (LOA) for air navigation database suppliers. Additionally, EASA continued to issue Export Certificates of Airworthiness for aircraft manufactured by EASA POA organisations (SBAAI in China and Airbus in China and Europe). In the case of the Airbus Single POA, a big achievement is the extension of the single POA scope to also include the A350 and good progress has been made towards extending the single POA to cover the new final assembly line in the USA.

Maintenance / Continuing Airworthiness Organisation Approvals

In the field of Maintenance/Continuing Airworthiness Organisation Approvals (MOA/CAMO), EASA is performing investigations and surveillance either by outsourcing the tasks to accredited NAAs or by using in-house auditors/experts. As of 2014 EASA has issued 339 Maintenance organisation, 55 Maintenance training organisation, 2 CAMO, 1,436 US and 173 Canadian approvals and there is still a steady number of new applications in the field of maintenance and maintenance training organisation approvals.

Air Traffic Management/Air Navigation Services Organisation Approvals

A new US ATCO training organisation was certified by EASA in 2014. For the Network Manager and for ESSP, the EGNOS service provider, the ongoing continuous oversight activities included several major changes to their functional systems. The certificate for ESSP was renewed.

Flight Crew Licensing Organisation Approvals

During 2014 ATO & AeMC (Flight Crew Licensing Organisation Approval) has consolidated its organisation approval activities for continuation and the initial approval of two Pilot training organisations located outside the EU member states, one of them an OEM (Original Equipment Manufacturers) Helicopter manufacture has been fully approved in accordance with Commission Regulation (EU) 1178/2011.

The number of approved Pilot Training organisations has decreased from 15 in 2013 to 12 at the end of 2014; the reduction has primarily been on minor non-complex organisations, whereas the new and remaining organisations are large complex organisations. The first very large airline outside the EU member has applied for an EASA ATO approval and further similar organisations are expected in the future.

The scope of activities for the ATO & AeMC section has been expanded to include the initial and continued qualification of FSTD's for operators outside the member states. At the end of 2014, 394 devices in 92 different locations around the world were approved by EASA either by outsourcing to accredited service providers or by using in-house experts.

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1.5 Inspection of Member States

1.5.1   Objective and scope

The Basic Regulation places an obligation on the Agency to conduct standardisation inspections in order to monitor the application by national Competent Authorities of the basic regulation and it's implementing rules. EASA conducted standardisation inspections in the following domains:

a) Airworthiness

b) Air crew

c) Air operations

d) Ramp inspections and

e) Air Traffic management and Air Navigation Services, including air traffic controllers (ATM/ANS)

Commission implementing regulation (EU) No 628/2013 "on working methods of the European Aviation Safety Agency for conducting standardisation inspections and for monitoring the application of the rules of Regulation (EC) No 216/2008 of the European Parliament and of the Council" was issued on 28 June 2013 and became applicable on 1 January 2014. The new regulation introduced a system-oriented continuous monitoring approach to standardisation. Under this new regulation the Agency's standardisation activities are more focussed on safety performance and the more efficient use of resources and include a feedback loop to the Agency's rulemaking process.

1.5.2   Main achievements in 2014

Standardisation activities in 2014 included continuous monitoring as well as inspections of Competent Authorities. The preparation for Aerodromes standardisation will start during 2015.

1.5.2.1   Continuous Monitoring activities

This continuous monitoring encompassed the collection and analysis of data from Competent Authorities, the International Civil Aviation Organisation (ICAO), the Commission and other sources. Inspections were prioritised and planned based on the Agency's assessment of Competent Authorities' ability to discharge their oversight responsibilities. This assessment is supported by a statistical model that generates a 'standardisation rating' which is then combined with activity indicators and expert judgement to determine the scope and frequency of inspections. An overview of the data processing within the model is provided below.

Data input

SIS

EASA

Authority

Other

1   Rating calculation

100

Authority Indicators

Follow-up Indicators

0

2   Overlay indicators

Activity Indicators

Safety Indicators

Time Elapsed

3   Output validation

General Indicators

Output Levels

| A | B | C | D |

Determine frequency and scope of inspections
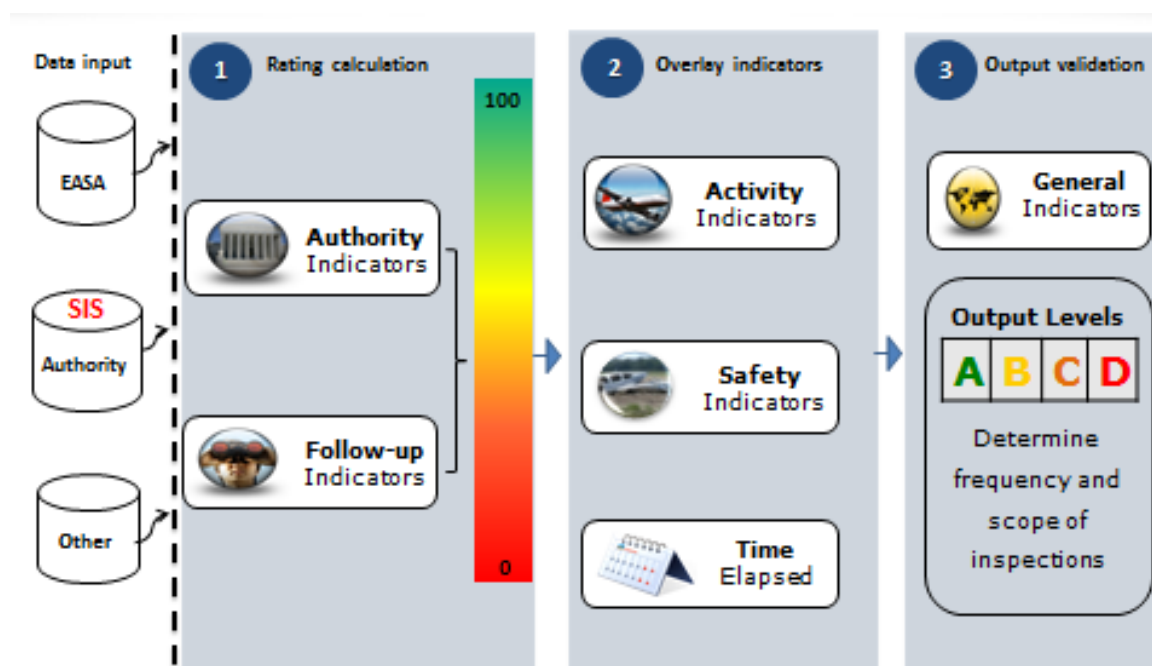
Continuous Monitoring Activities included the establishment and maintenance of a network of National Standardisation Coordinators, those who practically provided the data in the bi-annual data collection campaigns and are in receipt of the quarterly Continuous Monitoring Reports.

With the continuous monitoring approach, EASA gained access to several information related to the capacity of a State to discharge its oversight obligations. In addition, the information is updated on a regular basis, every six months, instead of every two or three years through the pre-visit questionnaires. This allowed to have a clearer picture of each country in the period between two inspections, with the possibly to adapt the inspections programme accordingly, and to better focus the planned inspections on significant issues. Continuous monitoring activities have also significantly increased transparency on the standardisation activities between EASA and each Member State.

1.5.2.2   *Inspections performed*

In the course of 2014 the Agency successfully implemented its Standardisation Inspection Annual Programme and performed a total of 107 standardisation inspections.

Inspection type	AIR	OPS	FCL	MED	FSTD	ATM/ANS	RAMP	total
Comprehensive	14	0	8	8	5	9	14	58
Focussed	8	18	5	4	5	9		49
All types, 2014	**22**	**18**	**13**	**12**	**10**	**18**	**14**	**107**

In the course of these inspections 723 non-compliance findings were raised. Approximately 27% (34% in 2013) of all findings were classified as significant deficiencies that may raise safety concerns if not duly corrected.

1.5.2.3   *Air Operations (OPS)*

A limited number of inspections were performed in the air operations domain in 2014, all of these being focussed inspections with a particular emphasis on verification of the closure of previous

findings, the implementation of the new air operations regulation and some additional identified areas of potential risk.

1.5.2.4   Aircrew (FCL, MED, FSTD)

Following the end of the horizontal opt-out period expiring in 2013, all the standardisation inspections performed in 2014 in the areas of FCL, MED and FSTD have been conducted to check implementation of Regulation (EU) No 1178/2011. It is evident that the competent authorities need more support in their effort to implement the new authority requirements. The approach to standardisation inspections in 2014 has been adjusted to assist the implementation of the aircrew regulation. Therefore a number of visits in the FCL, MED and FSTD have been conducted in a modified way, as "focussed" inspections. During these inspections, attention was given to the achieved level of implementation of the new regulations and to the status of on-going corrective action plans.

1.5.2.5   Air Traffic Management/ Air Navigation Services

The support by authorities to the ATM/ANS standardisation programme remains excellent. No significant problems were encountered during any of the visits with the programmes all being completed as agreed. However, the 18 inspections conducted in 2014 showed that the most findings were related to ICAO CE-6 (Licensing, certification, authorisation and approvals obligations) and CE-7 (Surveillance obligations). This shows a lack of authority robustness in undertaking their certification and/or oversight responsibilities.

1.5.2.6   Airworthiness

Implementation of Regulations in the EASA Member States is generally uniform and at an acceptable level. The distribution of findings raised in 2014 matches the distribution of findings over the last three-year period and mainly concentrated on the three critical elements (CE), as defined by ICAO, CE-6 (Licensing, certification, authorization and approval obligations), CE-7(Surveillance obligations) and CE-8(Resolution of safety concerns), in decreasing order, showing persistent deficiencies in the day-to-day oversight.

1.5.2.7   Ramp Inspection (SAFA/SACA)

In 2014 there was a general improvement in the implementation of a ramp inspection programme by most States, but there is evidence that some countries had not yet established an appropriate and consistent ramp inspections system. The main issues were insufficient staff numbers and poor training.

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1.6 Operators

1.6.1   Objective and scope

The Operators Department covers the activities of the Agency related to the coordination of the Ramp Inspection Programmes (SAFA - Safety Assessment of Foreign Aircraft /SACA - Safety Assessment of Community Aircraft) and the authorisation of Third Country Operators (TCO).

The ramp inspection activity carried out by EASA is a coordination function, including:

- Maintaining and updating the database of reports from ramp inspections
- Providing analysis and reports on the collected data
- Fostering the organisation and implementation of training courses
- Providing proposals for manuals and procedures
- Fostering the standardisation of the SAFA activity

In addition, within the scope of Article 23 of the EASA Basic Regulation, the Agency will be responsible for issuing authorisations to Third Country Operators (TCO) wishing to fly into the EASA airspace and land in one of the EASA countries.

1.6.2   Main achievements in 2014

1.6.2.1   Ramp Inspection Programmes (SAFA/SACA)

In 2014, the legislative framework governing the functioning of ramp inspection programmes became fully integrated in the overall EASA regulatory environment. A very important evolution brought by this change was the launch of the "SACA Programme", built on the existing SAFA programme and aimed at verifying compliance with EASA standards of operators from EASA States. Significant efforts were invested in transferring and enhancing the AMC and GM applicable for ramp inspections, and to facilitate their consistent implementation by the participating States. In this sense EASA published Inspecting Instructions and also issued a Training Bulletin, organising two "train the trainer" workshops. Furthermore, owing to the new requirement introduced by Subpart ARO.RAMP, ramp inspection training organisations (RITO) need to be approved by the State where they are located, and the Agency can be contracted for their evaluation. The evaluation process was duly established, and two evaluations on behalf of a State were conducted in 2014.

The Standardisation activities in the domain of ramp inspections changed as a result of the new applicable regulation, with the introduction of the CMA (continuous monitoring approach) principles which allow a more performance-based planning and a more direct engagement with the participating States. Particular attention is allocated to the new States joining the SAFA programme, so that their accession will not adversely impact the overall standardisation level.

Negotiations were initiated with Israel for its accession to the SAFA Programme and were finalised in 2014, and the Working Arrangement was signed in February 2015. A strategy was developed for the gradual expansion of the SAFA programme by including key strategic partners from various regions of the world.

Safety features on the agenda of industry and regulators alike. The dialogue with the airline industry continued in 2014, and tangible steps were implemented for the exchange of data collected by EASA

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(SAFA data) and IATA (International Airport Transportation Association; IOSA data), as foreseen in the MoU signed by the two parties.

Equally important is also the analysis of the significant mass of data collected by the SAFA participating States (more than 11,000 reports on a yearly basis). Regular and ad-hoc analyses are conducted in order to identify potential safety threats and to propose actions to contain them. The results of such analyses are presented to the SAFA participating States and moreover to the European Commission in the ambit of the Safety List process. A direct link was established between the SAFA and TCO processes so that SAFA data is used when assessing and overseeing third country operators.

1.6.2.2   Third Country Operators (TCO)

The TCO Regulation entered into force on 26 May 2014, along with the accompanying MB Decision 01-2014 adopting the TCO Procedure. This kicked off a 6-month application phase for all foreign operators that currently fly to the EU. By the end of the application period which ended on 26 November 2014, EASA has collected and administratively processed approx. 650 applications from commercial third country air operators from around the world, and these operators generate more than 99% of all TCO flight volume to the EU. Data continuously collected from the applicant operators is being validated and fed into the risk-based TCO Model, whose results successfully demonstrated proof-of-concept.

During the reporting period, a range of communication activities were implemented pursuant to the TCO Communications Plan to help communicate the TCO concept and timelines to all affected foreign air operators and their competent aviation authorities.

The TCO Web Interface (an online software application developed in-house) was successfully deployed in due time, initially featuring the collection of technical data and communications with TCO stakeholders. Development of further functionalities crucial for the TCO process continued during the entire reporting period, as well as the on-going development of the Section's working procedures.

Two TCO NAA workshops with a newly-established network of TCO focal points were organised by the Agency in the reporting period, which provided a forum for coordination of operational activities and task sharing between MS, Commission and EASA during the TCO transition period. A number of proposals were discussed and agreed, including a concept for the identification of ICAO standards for which EASA may accept mitigating measures for ICAO differences filed by the State of Operator (or State of Registry if applicable).

In line with the overall Agency objective of enhancing and strengthening relations with key strategic partners, the TCO Section continued its active support to both the Commission (in the ambit of the EU Air Safety List) and ICAO (by seconding technical experts to USOAP (Universal Safety Oversight Audit Programme) activities).

Resourcing the TCO Section appropriately during the reporting period was a constraint. It was mitigated to some extent by temporary cross-services support from within the Agency. Additional staff for TCO is expected to be recruited in 2015.

1.7 International Cooperation

1.7.1   Objective and scope

Agency concludes working arrangements with foreign NAAs on an ad-hoc basis. It participates in the negotiation and implementation of Bilateral Aviation Safety Agreements (BASAs) and other aviation agreements, supporting the European Union effort. On a multilateral basis, the Agency is strengthening its relations with ICAO, in close coordination with the European Commission (EC) and the States.

Finally, as part of its international activities, the Agency supports partner countries in improving their regulatory capabilities through technical cooperation programmes.

1.7.2   Main achievements in 2014

1.7.2.1   Bilateral Agreements (BASA) and Working Arrangements (WA)

Intense institutional activities took place with a number of international partners, such as the US, Canada, China, Brazil, Japan, Singapore, Ukraine, the UAE, Qatar, Saudi Arabia, Israel, and Turkey. The most significant achievements are summarised hereafter.

US

Intense activity took place under the EU-US BASA. In particular, the first phase of the development of new annexes on pilot licensing (private pilot licenses, night and instrument ratings) and Flight Simulation Training Devices (FSTD) is close to completion: the texts of the Annex and supporting Implementation Procedures were developed with the FAA and, for the Licensing Annex, already shared with, and commented by, the NAAs.

China

Intense activity has taken place between EASA and Civil Administration of China (CAAC), both to support the current operational relations (especially to support EU Industry in having their EASA certificates validated by CAAC) and to develop a technical roadmap to support the potential opening of BASA negotiations between the EU and China.

Brazil

The EU-Brazil BASA formally entered into force in August 2013. Following that, coordination activities took place under the EU-Brazil BASA to support the development of the relevant instruments required for the practical implementation of the BASA between the EU and Brazil.

Pan-European Partners

EASA maintained close cooperation with the non-EASA European NAAs under the EASA Pan-European Partnership (PANEP) and ensured the monitoring of the implementation of EU aviation safety acquis in the EU neighbourhood.

General activity on Working Arrangements

Several Working Arrangements were concluded in 2014, e.g.:

- 5 Working Arrangements with CAAC
- 1 Working Arrangement with CAD Serbia
- 1 Working Arrangement with the Hong Kong CAD
- 1 PANEP Working Arrangement with CAA Moldova on general safety cooperation
- 1 modification to the Working Arrangement with JCAB

1.7.2.2   Cooperation with ICAO

A Working Arrangement between EASA and ICAO on continuous monitoring activities, initialled in 2013, was signed in 2014. Furthermore, EASA developed, in coordination with the EC and EU Member States, guidelines on the filing of differences under the Electronic Filing of Differences (EFOD) tool developed by ICAO.

In order to further support the EU Member States on their EFOD obligations, checklists of compliance of EU safety rules with ICAO SARPs were developed by the Agency, for ICAO Annexes 1, 6 (Part I and III), 8, 14 (Volume I), 16, 18 and 19.

The Agency participated actively in the EU preparatory and coordination work for the High Level Safety Conference.

1.7.2.3   Technical Assistance

In 2014, EASA implemented several regional projects supporting:

• The European Neighbourhood Countries, including the Western Balkans, Eastern Europe and Mediterranean countries. These projects aimed at supporting enhancement of safety and interoperability with the European standards (IPA, MASC, and TRACECA)

• Sub-Saharan Africa: supporting national authorities to comply with their international obligations and the making of Regional Safety Oversight Organisations (ATA-AC, SIASA, Zambia and Malawi)

• The 10 ASEAN Nations: supporting the making of the ASEAN Single Aviation Market and its safety and ATM components (AATIP)

• Emerging markets, such as China and India, supporting safety and EU commercial and environmental interests (EU China, SARI)

Furthermore the Agency implemented horizontal projects, promoting EU safety regulations and building capacity in safety oversight (EASA International Cooperation Forum, Regional Safety Oversight Organisation support, and Safety List assistance).

1.8 Support Activities

1.8.1   Main Achievements 2014

1.8.1.1   Applications management, Outsourcing and Accreditation

A revised Fees and Charges Regulation entered into force on 1 April 2014. It is designed to ensure sufficient revenue and deliver enhanced cost reflectivity for all activities financed by applicants. During the second part of 2014, the revised logic behind this revision was deployed for all incoming applications.

A web-portal enabling applicants to prepare and dispatch online-applications and to autonomously manage certain customer master data was launched as a pilot in June 2014. Its full deployment to cover every kind of applications is intended to take place gradually on the basis of this pilot lesson.

Administrative processes allowing the processing of new remits applications for Third Country Operators (TCO) and Operational Suitability Data (OSD) were successfully implemented.

EASA adopted during 2014 and deploys an outsourcing strategy for certification tasks. It relies on 14 National Aviation Authorities (NAAs) and 7 Qualified Entities formally accredited during 2014 following a tender process to become EASA certification service providers. These entities are subject to a surveillance based on a risk evaluation methodology aiming to ensure their continued capacity for the tasks. 3 non-EU NAAs remained accredited under a Working Arrangement with EASA.

Furthermore, the efficiency has been enhanced through improved and simplified processes and automation where possible (e.g. compared to 2013 the number of processed applications (+14%) and issued certificates (+4%) increased with the same level of staffing).

1.8.1.2   Finance and Procurement Services

The financial and budgetary details are reported in part 2.

The Agency's Financial Regulation was reviewed and updated in line with the Commission's Framework Financial Regulation. The updated version was approved by the Agency's Management Board on 10 December 2013 and the associated Implementing Rules were adopted on 9 December 2014.

The 2013 Annual Accounts were audited and there were no qualifications from the European Court of Auditors. The Parliament granted the Executive Director of the European Aviation Safety Agency discharge in respect of the implementation of the Agency's budget for the financial year 2013 on 29 April 2015.

The Finance & Procurement Department continued to seek improvement of the Agency's financial management capacity by regular training sessions for financial actors and in maintaining the Finance & Procurement Network / and keeping the intranet portal up to date. In that context, specific attention has been given to the Expenditure Lifecycle Training adapted to EASA tools and financial awareness training tailored to Section Managers and Heads of Department.

The Department also closely monitored the budget in order to achieve the budget implementation targets in particular through quarterly budget monitoring exercises.

Finally, ex-ante verification procedures for certain types of low risk (high volume/low complexity) transactions were reviewed and redesigned in order to improve the cost effectiveness of the control system. This process will continue in 2015 with further analysis on where ex-ante checks can be combined with the authorising officer approval step and supported by enhanced ex-post controls.

In accordance with the ex-post control annual programme, two ex-post control exercises were performed during 2014 covering the areas of International Technical Cooperation and IT transactions. Overall, the transactions verified were, in all material aspects, legal and regular.

Centralisation of Procurement:

Centralisation of low value procedures between 1-60.000€ and framework contract implementation, launched in 2013, was further developed in cooperation with the participating operational departments.

In autumn 2014, the 1st year of transition was completed towards the new centralised procurement concept, with approximately 70-80% of all respective procurements / areas already centralised or in transition.

2015 shall see the final transition to centralisation and continued development of the centralised process.

1.8.1.3　　Information Technology Services

In addition to the web-portal pilot project, a number of HR systems were redesigned and consolidated around a central HR database. The new EASA process for the European Central Questions Bank (ECQB) used by all EASA Member States for the theoretical knowledge examinations of pilots was provided by a state of the art IT tool specialised in electronic examinations. The IT effort not only encompassed the configuration of the commercial off the shelf tool but also the migration of the existing questions. Third Country Operators were provided an electronic application module. The credit card payment feature was implemented in order to complement the platform of technical trainings and a new system was introduced in order to facilitate web conferences. Additionally, the re-organisation and the change of logo required updates in the IT applications. Service Level Agreements were elaborated for all the new applications deployed in 2014. Furthermore, 2014 has also seen the kick-off for the preparation of the move of the IT infrastructure to the new EASA building.

Moreover, all the IT applications programmed for 2014 indeed benefited from enhancements. Some of the foreseen extensions for IT applications such as for example occurrence databases need to be continued in 2015. The EC regulation on occurrence reporting mandates additional changes to occurrence reports and their handling in the IORS tool in the Agency by November 2015. The Document Management System deployment is phased over a multiannual programme. The first roll-outs occurred at the end of 2014.

Finally, in addition to the execution of the IT work programme, at the end of 2014, the IT governance was revamped in order to derive the IT decisions from the Agency strategic objectives. Isolated projects were grouped into multi annual programmes. Such programmes would be led by a responsible in charge of coordinating its roadmap. The technical governing body was reduced in

representatives in order to seek efficiency. This technical governing body would then refer back to the executive governing body of directors for proposals and decisions.

1.8.1.4 Corporate Services

The project to construct and fit-out the new EASA headquarters has been kept according to plan. Progress can be followed on the public website http://www.neuedirektion.de/2-0-Home.html. The change of design to an open-plan office layout was completed on time and adapted to EASA's revised organisational model. Furniture specifications have been defined in consultation with staff and are ready to be tendered. Finally management concepts for security, facilities and the conference centre have also been proposed.

Efficiency gains of approx. 7% in security and postage are being delivered. A review of the travel expense claims process was concluded. A more efficient workflow will be introduced to generate a workload reduction of around 1 full time equivalent.

As regards the Information Management Programme, the electronic document management system has been released and deployed to the accreditation process. Users report significant improvements in sharing information. A full deployment to all processes is planned by 2018.

1.8.1.5 Legal Services

Legal support was among others related to Remotely Piloted Aircrafts (RPAS), European Central Question Bank (ECQB), Fines and Penalties, the relocation project MOVE 2016 and in the domain of the 2nd phase of the Air Traffic Management (ATM) rule: the Single European Sky 2+ (SES2+) revision, the Safety KPIs under Regulation 390/2013 (just culture), Part SERA, ATCO, Performance Review Body and the Performance Based Navigation operation project. With regard to just culture, support was provided to the Commission's work in the ICAO Group of Experts on Protection of Accident and Incident Records (GEPAIR), to the European contribution to the ICAO High Level Safety Conference and by taking care of the coordinated response to the ICAO State Letter on *the Proposal for the amendment of Annexes 6, 13 and 19 relating to the protection of safety information*.

In the framework of the 1st extension, legal support was provided in the areas of Aircrew and Air operations to rulemaking and standardisation, and for the implementation of Regulation (EU) 452/2014 "third country operators". Related to the 2nd extension, in the area of the 2nd phase of the Aerodromes rules, legal analysis of Regulation 139/2014 was provided, as well as legal review of rulemaking proposals, such as NPA on Apron Management Services (AMS) providers, Fire Fighting Services (FFS) and future amendments of Regulation 139/2014. Legal support was also provided for the preparation of replies to external requesters, such as NAAs and aerodrome operators.

The internal whistle-blower (WB-) and the appeal process under 1rt. 90(2) of the Staff Regulations were completed and are now awaiting validation.

EASA presented an 'EASA perspective' in key aviation legal forums: 2014 Bucharest Air Transport Conference, Annual Conference of the European Air Law Association (EALA) and European University Institute.

1.8.1.6 Communications

The regular interaction with the counterparts in the aviation industry, the NAAs, accident investigators and regulators from the major third countries and partner organisations such as IATA,

Eurocontrol, SESAR, ASD, ACI (Airports Council International), CANSO, AIA, AEA (Association of European Airlines) is part of the day-to-day activity of the Communications department whenever a relevant issue concerns a given organisation.

A new EASA visual identity (logo, templates and other communication material) was implemented. 2014 was also the year of significant changes in the digital communication of the Agency; the Twitter and Facebook accounts of the Agency were used more actively, the number of followers of EASA on Social media doubled in 2014. Print publications were also streamlined.

The objective to communicate on the development of the Single European Sky activities was dropped during the year as other priorities arise like the need to develop a communication plan for General Aviation. One of the major milestones as part of EASA's activities to promote a better regulation for General Aviation was the successful organisation of the annual safety conference in October in Rome.

A monthly online newsletter for external audiences was created and the new user-focused website was launched in April 2014.

The Agency crisis response plan was updated and a crisis simulation exercise was organised to test our procedures. The corporate identity handbook, based on the vision, mission and values of the Agency, was published. It is considered a vehicle to help develop consistency of internal communication. The weekly internal newsletter and the intranet were improved.

1.8.1.7   *Audit and Quality*

The successful ISO9001 surveillance audit performed by GUTcert on 26 October 2014 confirmed the implementation of recommendations from 2013 renewal certification audit and the continual improvement of the EASA Integrated Management System (IMS). To support this objective, benchmarking with European Agencies and a NAA quality day were performed allowing exchange of best practices. In addition to the planned activities, the Quality Section supported actively the convergence task especially regarding the Agency process map enhancement and took over the responsibility of the Documents & Records/Archives and the IM Programme from 1st of September.

The Internal Audit Capability performed audits in accordance with the 2014 annual audit programme, formulated utilising a risk based approach. The Internal Audit Capability (IAC) was successfully audited against the Internal Auditing Professional Framework of the Institute of Internal Audit (IIA) in 2014 by the IFACI[4]. The IAC received a positive result, that being, no non-conformities were raised and all of the recommendations made in 2013 were assessed as "closed" while no new recommendations were raised in the 2014 audit. The result was that IAC maintain its certification.

Finally, the IAC coordinated the 2014 annual risk assessment exercise. The 2014 Risk Register fed the WP2015.

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[4] Institut Français De L'audit Et Du Contrôle Internes

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1.8.1.8   Human Resources

Convergence

In the framework of Convergence, the Agency conducted 80 internal selection procedures. The HR Department also piloted the deployment of expert career paths in the Certification Directorate and reflexions started on the efficient use of support staff.

Recruitment and staffing

The evolution of the EASA organisational model shaped the focus of recruitment towards internal selection procedures. In 2014, 5 internal selection procures were run in addition to the 80 internal selections in the framework of the Convergence Project.

In 2014, 16 selection procedures were finalised and 9 new external selection procedures were published. For 5 selection procedures, an external assessment centre was used for management positions. By the end of 2014, 17 temporary agents and 4 contract agents were recruited through external selection procedures.

The Agency employed 651 Temporary Agents (TA), 81 Contract Agents (CA) and 15 Seconded National Experts (SNE) at the end of 2014. Altogether, EASA concluded 19 new contracts of employment while 27 Staff members left the Agency.

EASA also offered traineeship opportunities to attract and qualify junior professionals. In 2014, 5 graduate trainees were selected to perform a six months traineeship in a function corresponding to their academic background.

Staff Regulations

On 1 January 2014 the reform of the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union entered into force. New implementing rules had and have to be adopted in order to reflect the changes of the amended Staff Regulations on the working conditions for EASA staff members.

In September 2014 EASA notified the European Commission on the state of play with regards to the implementing rules (16 were adopted by analogy, 1 request for opt out was introduced, 2 derogations were requested for EASA models and 6 requests for Agency models).

Performance Management and career development

Following on the work performed in 2013, the Agency published in May 2014 the final set of organisational values.

In the context of performance management review and in the absence of new implementing rules from the Commission, EASA applied the existing appraisal procedure in 2014. The reclassification process was also implemented as an interim measure. Fairness and transparency, as well as supporting training and communication for staff and managers, were ensured. In 2014, 103 staff members (95 TAs and 8 CAs) were proposed for reclassification.

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HR IT tools:

An improved HR database has been developed and launched in March 2014. The new HR database has been enhanced to reduce the amount of manual inputs and to extend the scope of the information recorded. An improved Education allowance tool has been launched in August 2014 facilitating the management of these allowances.

1.8.1.9   Technical Training

The Technical Training Section has increased its international exposure and has launched the Virtual Academy, which should be fully operational in 2015.

A new Academic community support project has been launched. The aim is to introduce EASA expertise within normal course of studies for universities offering aviation related diplomas.

Distance learning implementation phase started in 2014, will allow instructor led training via web, while offering a major cut down in costs for MS NAAs and international partners.

ACTIVITY	Figures
People trained	943
EASA staff trained	688
External staff trained (MS NAAs, Int'l NAAs, EC, etc.)	255
Trained by Technical Training staff using in-house developed courses	704 (75%)
Trained by External Training Providers	239 (25%)
Total number of delivered courses (sessions)	137
In-house developed/maintained courses	112 (82%)
Total number of External Training Providers courses	25 (18%)
Total training days	230

The total amount of training days provided times people trained is 216.890.

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2. Management

2.1 Management Board and major events

The Management Board plays a key role in steering the work of the Agency among others through the adoption of the Work Programme, Budget, Establishment Plan and Multi-Annual Staff Policy Plan (MSPP). The Finance and Business Services Advisory Group (FABS) prepares these decisions by discussing resources related agenda items in detail prior to Management Board meetings. The Management Board decided to reinforce the role of the FABS in order for the Management Board to increase the time available for items directly related to aviation safety and of strategic nature. This system has proven to increase the efficiency of Management Board meetings. The Agency's risks and mitigating measures are discussed as part of the Work Programme and Annual Activity Report (see part 3 of this document).

The Management Board met 4 times in 2014. The number of meetings will be reduced to 3 in 2015, this also to enhance efficiency and make responsible use of resources. A summary of the items discussed and decided by the Management Board during 2014 is provided in annex VI. As regular part of the MB meeting's agenda, the Agency's Executive Director informs and triggers discussions through an oral ED report, including a summary of achievements and any issues of special interest occurred in the reporting period.

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2.2 Budgetary and financial management

Operating Revenue:

The Agency's 2014 revenue (in K€) comes from the following sources:

OPERATING REVENUE	2014	2013
Fees and Charges	89.387	78.324
Contribution from EU entities	37.721	37.903
Recovery of expenses	923	1.062
Contribution from EFTA countries	1.036	991
TOTAL OPERATING REVENUE	**129.067**	**118.280**

The overall increase in revenue of 10,787K€ or 9% is driven by the rise in fees and charges revenue which is 11,063K€ or 14% higher than last year.

Operating expenses (in K€):

OPERATING EXPENSES	2014	2013
Staff expenses	(71.810)	(67.819)
Buildings and related expenses	(9.551)	(7.716)
Other expenses	(6.091)	(7.706)
Depreciation and write offs	(983)	(2.192)
Outsourcing and contracting activities	(32.059)	(35.684)
TOTAL OPERATING EXPENSES	**(120.494)**	**(121.117)**

Operating expenses are 623K€ or 1% lower compared to 2013.

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BUDGET OUTTURN ACCOUNT FOR THE FINANCIAL YEAR 2014

REVENUE		2014	2013	Variance
		€ M	€ M	%
Fee income	+	96.993	81.942	18%
Balancing Commission subsidy	+	35.209	35.830	-2%
Other subsidy from Commission (Phare, IPA,…)	+	3.905	6.096	-36%
Other income	+	1.320	1.003	32%
TOTAL REVENUE (a)		137.428	124.870	10%
EXPENDITURE				
Title I:Staff		74.775	69.438	8%
Title II: Administrative Expenses		16.278	15.934	2%
Title III: Operating Expenditure		90.126	81.651	10%
TOTAL EXPENDITURE (b)		181.179	167.024	8%
OUTTURN FOR THE FINANCIAL YEAR (a-b)		**(43.751)**	**(42.154)**	**4%**
Cancellation of unused payment appropriations carried over from previous year	+	0.232	0.555	-58%
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	44.996	42.402	6%
Exchange differences for the year (gain +/loss -)	+/-	(0.017)	(0.005)	215%
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		**1.460**	**0.798**	**83%**
Not included in the budget outturn:				
Interest generated by 31/12/N on the Commission balancing subsidy funds and to be reimbursed to the Commission (liability)	+	0.000	0.080	-100%

Appropriations carried forward to the following financial year (2015): 5,9M€ or 6,2%.

Appropriations carried forward from 2013: 7,2M€ out of which 96,8% were implemented.

BUDGET IMPLEMENTATION FOR THE YEARS 2013 - 2014

(All figures in thousands of euro - € '000)

	2014		**2013**	
TITLE I - Staff expenses				
	Payments	**Commitment**	**Payments**	**Commitment**
Budget appropriation - C1+R0+C4+C5(1)	76,450	76,450	70,719	70,719
Committed	0	74,772	0	69,437
Paid	74,392	0	68,774	0
Automatic carryovers	383	0	665	0
Total expenditure/commitment (2)	**74,775**	**74,772**	**69,438**	**69,437**
Appropriations carried over from assigned revenue (3)	0	3	0	1
Cancelled	1,675	1,675	1,280	1,280
% used on budget appropriation (2+3)/(1)	97.81%	97.81%	98.19%	98.19%
TITLE II - Administrative expenses				
Budget appropriation - C1+R0+C4+C5(1)	16,536	16,536	16,280	16,280
Committed	0	16,257	0	15,918
Paid	12,676	0	12,740	0
Automatic carryovers	3,603	0	3,194	0
Non-automatic carryovers	0	0	0	0
Total expenditure/commitment (2)	**16,279**	**16,257**	**15,934**	**15,918**
Appropriations carried over from assigned revenue (3)	0	21	0	17
Cancelled	258	258	346	346
% used on budget appropriation (2+3)/(1)	98.44%	98.44%	97.88%	97.88%
TITLE III - Operating expenses				
Budget appropriation - C1+R0+C4+C5(1)	90,907	90,907	82,318	82,318
Committed	0	45,102	0	49,865
Paid	30,939	0	33,282	0
Automatic carryovers	58,827	0	48,369	0
Non-automatic carryovers	360	360	0	0
Total expenditure/commitment (2)	**90,126**	**45,462**	**81,651**	**49,865**
Appropriations carried over from assigned revenue (3)	0	44,664	0	31,786
Cancelled	781	781	667	667
% used on budget appropriation (2+3)/(1)	99.14%	99.14%	99.19%	99.19%
TOTAL				
Budget appropriation - C1+R0+C4+C5(1)	183,893	183,893	169,317	169,317
Committed	0	136,131	0	135,220
Paid	118,007	0	114,796	0
Automatic carryovers	62,812	0	52,228	0
Non-automatic carryovers	360	360	0	0
Total expenditure/commitment (2)	**181,179**	**136,491**	**167,024**	**135,220**
Appropriations carried over from assigned revenue (3)	0	44,688	0	31,804
Cancelled	2,714	2,714	2,293	2,293
% used on budget appropriation (2+3)/(1)	98.52%	98.52%	98.65%	98.65%

Major aspects of the implementation of the budget

In 2014, the Agency has used only non-differentiated appropriations.

The final C1 budget implementation rate for 2014 was 97% (98% - 2013) and the overall budget implementation rate, including the impact of the external assigned revenues (R0) remains high at 99% (99% - 2013).

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The total consumption of commitment appropriations on fund sources C1, R0 (current year budget for Subsidy and Fees and Charges), C4 and C5 (internal assigned revenues) reached 181.179 K€ (167.024 K€ in 2013), of which 136.131 K€ (135.220 K€ in 2013) have been committed, 360 K€ have been carried over by decision of the Management Board in accordance with Article 14 of the EASA Financial Regulation, and 44.688 K€ (31.804 K€ in 2013) on credit appropriations from assigned revenue were automatically carried over as per Article 15 of the EASA Financial Regulation.

The total consumption of payment appropriations reached 181.179 K€ (167.024 K€ in 2013), of which 118.007 K€ (114.796 K€ in 2013) have been paid, 360 K€ have been carried over by decision of the Management Board in accordance with Article 14 of the EASA Financial Regulation and 62.812 K€ (52.228 K€ in 2013) were automatically carried over (18.124 K€ on Commitments and 44.688 K€ on credit appropriations from assigned revenue).

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2.3 Human Resources (HR) management

For the reform of the Staff Regulations and the new implementing rules, please see section 1.8.1.8.

The Agency reviewed the establishment plan approved by the budgetary authority for 2014 at the beginning of the year. It concluded that the AST/ AD repartition and the repartition of the grades needed to be adapted in order to better reflect the Agency´s needs.

It therefore submitted to the Management Board during its 11 March Meeting proposed changes using the provisions of Article 38 of the EASA Financial Regulation which allow under certain conditions the Management Board to modify the establishment plan up to 10 % of the posts. The proposed modifications affected the AD/AST balance and the grading of 64 posts but not the total number (685) or the number of posts in the grade AD 13. It also did not affect the volume of staff appropriations foreseen in the budget 2014.

The Management Board adopted the amended EP for 2014 as part of the MSPP and the Agency communicated it to the relevant counterparts in the Commission.

Based on the screening and benchmarking methodology in use in the EC, the Network of Agencies established a revised methodology adapted to the agencies (November 2014). EASA therefore has proceeded to screen the posts in accordance with the EP in place on 31/12/2014. The table in Annex IV (Figure 5: Benchmarking) shows the result of the screening and because the first year of application is 2014, there is no benchmarking to previous years.

2.4 Assessment by management

Overall Budget Implementation Rate

As a result of comprehensive in year budget monitoring, the EC targets of 95% for implementation of the C1 (current year's budget) and C8 (carry over) were achieved, therefore no penalties will be applied to the following years EC Subsidy. The final C1 budget implementation rate for 2014 was 97% (98% - 2013) and the overall budget implementation rate, remains high at 99% (99% - 2013).

Legality and regularity

Ex-ante verification is performed on each of the 25.000 transactions processed by the Agency. Additionally, in accordance with the ex-post control annual programme, two ex-post control exercises were performed during 2014 covering the areas of International Technical Cooperation and IT transactions. Overall, the transactions verified were, in all material aspects, legal and regular.

Validation of the accounting system

In line with Article 50 of the Financial Framework Regulation and Article 68 of the EU General Financial Regulation, the accounting systems laid down by Accounting Officer and where appropriate systems laid down by the authorizing officers to supply and justify accounting information have been validated. The next full formal validation is planned to take place during 2015.

Procurement procedures

16 procedures were launched in 2014 out of which 10 were completed. 6 procedures are still ongoing. More details can be found in 1.8.1.2 and Annex VI.

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Registration of exceptions

In accordance with EASA Management Standard 17, the management system shall ensure appropriate traceability and evidence of conformity of the work performed. In line with Agency procedures each non-conformity is documented and registered in an exception Register. Each request is controlled, corrective and/or preventive actions are identified prior to review and approval by the relevant director.

In 2014, the number of exceptions raised (46 – as at 31/12/2014) and the effectiveness of the improvement actions agreed was reported to the bi-annual Management Reviews. None of the exceptions raised during the reference period were considered to be significant.

2.5 Assessment of audit results during the reporting year

The Internal Audit Service (IAS) performed one review in 2014 while the Internal Audit Capability (IAC) performed eight assurance engagements. The European Court of Auditors (ECA) continued its work as per the normal cycle and performed one audit of the 2013 Annual Accounts in two parts.

2.5.1 Internal Audit Services (IAS)

The IAS performed an assessment of the design and the effective and efficient implementation of the internal control systems as regards to its process of Continuing Airworthiness oversight of type design (CAW). The scope of the audit comprised of an assessment of the main controls related to organising and managing the CAW process. The audit covered areas such as the interaction with the Type Certificate Holders (TCH), assessments of occurrence reports and corresponding unsafe conditions, decision making process with regards to mandatory and non-mandatory continuing airworthiness actions, communication and dissemination of such decisions and actions, and IT applications and related controls supporting the CAW process.

Some areas of the activity were excluded from the audit, including the technical validity of decisions taken in the framework of the CAW process, the global continuing airworthiness oversight system, for example Design Organisation Approval, standardisation inspections of National Aviation Authorities (NAAs), etc., and the provisions and requirements of the new Commission Regulation (EC) 376/2014 on the reporting.

2.5.2 Internal Audit Capability (IAC)

The IAC performed eight audit assurance engagements across the Agency in 2014, including:
- IT project management (HR tools)
- Competency Models and Job Family projects
- Annual audit of Social Committee accounts
- Debt recovery
- Research
- IT governance
- Export Certification of Airworthiness
- Centralisation of procurement for Low value procedures

The objective of each of these audits was to assess whether there was reasonable assurance that the relevant regulations and/or requirements were complied with, the process objectives were being

met, and that the key risks were properly mitigated through a robust internal control system. In each of the reviews, this level of assurance was provided and recommendations were given to further enhance either the control environment or the overall efficiency of the processes.

2.5.3   European Court of Auditors (ECA)

The opinion received from the ECA in 2014 was in relation to the Annual Accounts of 2013. With regards to reliability, they noted that "In the Court's opinion, the Agency's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer." With regards to the legality and regularity of the transactions, they noted that "In the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2013 are legal and regular in all material respects".

2.6 Follow up of audit plans, audits and recommendations

The number of recommendations issued in 2014 was 66 of which 7 were from the IAS, 56 from the IAC and 3 from the ECA audits. As noted in 2.5.3 above, the ECA opinion that the 2013 Annual Accounts, were reliable, and the underlying transactions were regular and legal and there were no qualifications. They also noted that the findings resulting from previous years had been implemented.

All recommendations from audits are recorded and centralised. Continuous monitoring and reporting of these recommendations is performed. The average implementation rate for the year 2014 is of 57%. The decrease of the rate is mainly due to Agency reorganisation which influenced both the implementation and the hand-over of the action to new action owners. Both points have led to some delays that have been followed up by both the Internal Audit Capability and Quality teams with the aim to achieve full implementation.

No findings classified as *"critical"* were raised by the IAS during their audits. Four findings classified as *"very important"* were raised during three audits performed between 2009 and 2013. These items related to the areas of Key Performance Indicators, the Annual Activity Report, the IT Project Management framework, and the Appraisal procedure. None of these items resulted in a potentially negative consequence for the assurance building process as they centred on the formalisation of processes in place via procedures and supporting documents. In addition, the IAS recommended that the Agency enhance the Key Performance Indicators in the Work Programme and Annual Activity Report.

The Agency took action on all of these recommendations and marked them as "ready for *review*" in preparation of the IAS follow up. However, in 2014, the IAS did not perform a formal assessment on the progress made by the Agency in implementing their recommendations resulting from their audits.

The findings classification method used by the IAC differs from that of the IAS, more specifically, while the IAS scores the recommendations, the IAC provides a residual risk rating for each risk of an activity which should be addressed via a corrective action. As a result of the assessment of the inherent risk in these activities, 56 recommendations were made to mitigate the risk level further.

The IAC noted that 3 inherent risks had a residual rating of: likelihood of occurrence of "high" and a potential impact of "significant" while all other risks had ratings lower than this.

Two risks were associated with a specific IT development project and 6 actions were assigned to mitigate the risk level. Two of which were closed and the remaining four are scheduled to be implemented by September 2016 as part of the roll out of the EASA IT Strategy. The actions specifically focused on the enhancement of the quality process in projects and the access to personal data by consultants. One risk was associated with the Research activity and 4 actions were assigned to mitigate the risk level. All four actions are scheduled to be implemented by January 2016 as part of the enhancement of EASA Research strategy. The actions focused on updating the procedures in the Process modelling tool (ARIS) to align with the development of the new EASA Research Strategy and process.

2.7 Follow up of observations from the Discharge authority (Discharge 2013)

For the financial year 2013, the European Parliament (EP) granted to EASA the Discharge and approved the closure of its annual accounts.

As regards the observations made by the EP with regard to some aspects of the EASA financial and administrative management, EASA is in the process of addressing the specific observations. In its reply to the specific observations and comments made by the European Parliament, EASA will point out in particular the following:

Follow-up of 2012 discharge

Regarding the four comments made in the Court's 2012 report, corrective actions were taken and two comments are now marked as "Completed" while two are marked as "Not Applicable".

Budget and financial management

EASA has made over the last years great efforts in order to reduce the level of carry-overs. The Agency highlighted a substantial decrease over the years from 2012 to 2015. Moreover, EASA has already implemented the appropriate Ex-ante and Ex-post verification financial control procedures.

Conflict of interest

EASA has already established and implemented a comprehensive policy in its "Code of Conduct for the staff of EASA" on the "prevention and mitigation of Conflict of Interest" and "Gifts and Hospitality". This policy includes among others the establishment of an Ethical Committee to assess the completed declaration of interest and to deal with any subject related to the "Code of Conduct for staff of EASA" and the establishment of a mandatory training related to the Code of Conduct for all Agency staff members.

In addition, codes of conduct including a policy on "prevention and mitigation of Conflict of Interest" have been also adopted for the members of the EASA Board of Appeal and the members of the EASA Management Board.

As requested by the EP, CVs and Declarations of interest of all EASA Directors and Heads of Department are already published on the EASA website. The CVs and Declarations of Interest of the

members of the EASA Board of Appeal and the Members of the Management Board have been also published on the EASA website."

3. Assessment of the effectiveness of internal control systems

The internal control standards of the Agency include both the 16 internal control standards of the European Commission and the latest version of the international quality standards (ISO 9001:2008) resulting in 24 EASA Management Standards. These standards were first adopted by the Management Board in 2008. As a result of being updated the Management Standards were adopted again by the Management Board in March 2013.

3.1 Risk Management

Each year, the Agency performs a risk assessment exercise in line with the methodology developed for EU organisations. During this assessment, the criticality of the risks, based on their likelihood of occurrence and potential impact are established. Mitigating actions are developed and agreed with the express purpose of being implemented prior to or during year N. The outcome of the risk assessment exercise acts as an input to the planning exercise on the Work Programme during the subsequent annual risk assessment status of the actions and critical risk is assessed. The following critical risks have been identified as specifically linked to 2014:

Change of Agency Governance: Change of Agency governance as result of Inter-institutional Working Group (IIWG) on Agencies.

Action taken: There is no need for mitigation actions at this moment since the legislative process to modify the Governance of the Agency is still on-going and its outcome is not foreseeable yet.

Management of Conflict of Interest at Management Board: Failure to manage situations, in which a MB member has personal or professional interest, that compromise independence in decision-making or are perceived or might be perceived as compromising such independence.

Action taken: The MB adopted a Code of Conduct for members of MB of EASA, which includes an annex related to Conflict of Interest management, in December 2012 (MB Decision 11-2012). The implementation of the Code of Conduct was initiated in 2013 with the annual and specific Declaration of Interests and the training on Conflict of Interest.

Crisis management: Lack of or inappropriate crisis response in aviation

Action taken: A crisis exercise is carried out on a yearly basis. The crisis response plan was reviewed and updated during the preparation and follow-up of the crisis exercise in June 2014.

Managing external communication: Inappropriate message management.

Action taken: An external communication strategy has been developed and approved by the Agency's management.

Fines and penalties regulation: Exposure as a result of non-implementing fines and penalties regulation (646/2012)

Action taken: The implementation of the F&P has been started in the Agency and the instrument will be used.

Standardised safety level in Europe in areas of OPS/FCL and ATM/ANS: Failure to establish, and then maintain, the same level of safety across Europe through safety oversight of Member States in the areas of OPS, FCL, ATM and ANS.

Action taken:

The Pool of Flight OPS Inspectors was formally set-up with close support of NAAs; all relevant documents together with the list of contributing NAAs experts are published in SINAPSE. The pool is operational.

All elements of Regulation (EU) 628/2013 which replaced regulation 736 have been implemented:

- Internal procedures, work-instructions, forms and template were adequately revised in line with the new regulation.
- The CMA model & tool as well as the web-based interface tool were developed enabling carrying-out of the continuous monitoring activities

Operational escalation principles as alternative means to the instrument of Supplementary Reports were agreed with the EU Commission:

- In close agreement with the EU Commission it is the Agency who keeps the lead in applying first level of escalating measures with direct involvement of Approvals & Standardisation Director; this interim level was found as successful alternative to Supplementary Report which remains in use for cases when first escalation level has not provided necessary results;
- Next levels of escalation measures (typically beyond the Supplementary Report) are agreed between the Agency and EU Commission on case by case basis (e.g. the EU Commission "pilot case").

Recruiting sufficient staff: Failure to recruit sufficient staff (both technical and administrative) with necessary competences, experiences, skills (incl. managerial).

Action taken: Establishing the Agency's reputation as an employer of choice

- The recruitment section has been working on the Employer Value proposition. The consultancy framework of the European Commission has been used as support for the definition of the Employer Value proposition (prior to the establishment of the employer branding strategy). A dedicated workshop has been organised in September and a concept paper defining the Employer Value proposition has been elaborated proposing an implementation strategy in close cooperation with the Communication department to ensure coherence with the Agency's task on Employer branding.
- In order to address the current and future recruitment of sufficient staff with the adequate technical competences and taking into account the scarcity of resources in the aviation sector, the Agency was represented as an employer of choice during external events such as the career days at the Paris Air show, the Trade fair and the Nacht der Technik.
- The Agency has launched two calls for paid traineeships with intakes in spring and autumn. 11 trainees were selected to perform a six months traineeship in a function corresponding to their academic background.

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Assessment Centres (included in the AGR 2013):

- Following a dedicated tender procedure in 2012, the recruitment section included assessment centres as part of the selection procedures in 2013 for managerial functions in order to further improve its recruitment process and to support the recruitment of highly skilled staff as well as the Agency's endeavour to identify managerial skills already available in the Agency to facilitate vertical career moves.

Retention of professional skills:

- An internal working group on retention of professional skills has commenced in 2012 to identify posts that require the retention of certain technical skills when they are demonstrated by dedicated licenses.
- In 2013 a policy has been implemented in the areas of Certification and Standardisation addressing the retention of certain pilot licenses; additional licenses have been identified and will be analysed following the criteria "in the interest of the service".

Information management: Inappropriate or lack of documentation/information management system.

Action taken: Agency-wide programme on Information management under ExCom control.

Fraud prevention and detection

The EASA Anti-Fraud Strategy establishes the EASA responsibilities, objectives and actions in terms of fraud prevention, detection, investigation and correction. An Anti-Fraud Officer was appointed in 2014.

In that context an action plan has been put in place with actions to be implemented for the years 2015 and 2016. No instances of fraud were recorded or identified under the Anti-Fraud Strategy during 2014.

3.2 Compliance and effectiveness of Internal Control Standards

The Agency has performed the annual assessment for the year 2014 of the EASA management standards, which integrate both ICS and ISO standards. This assessment concluded that the Agency complies with the management standards. Indeed, the robust monitoring system that has been established at both management and process levels is fully compliant with all the Internal Control Standards. Some potential for enhancement has been identified on business continuity, for which an action plan has been issued with a full completion deadline in 2017. It must be highlighted that in line with ISO standards, the system and its assessment goes beyond the implementation phase to consider as a target a full monitoring including check activities and corrective/improvement actions identification for continuous improvement purposes.

The effectiveness of the IMS, which was recertified against ISO and IFACI in 2013, is reviewed twice a year with all the Agency's directors at the occasion of the Management Review meetings where the results of the integrated management system are presented and the needed improvement actions are submitted to the directors for decision. It was positively assessed in 2014. It was concluded that the internal control system fully complies with the EASA management standards.

4. Management assurance

4.1 Review of the elements supporting assurance

The Agency has set up and maintains an ISO certified management system that ensures that resources and processes are managed and controlled. All processes are described, managed according to the objectives, risks and KPI identified, and continuously assessed and improved regarding compliance with applicable regulations and performance. The completeness and effectiveness of the integrated management system is reviewed once a year through the self-assessment of its standards. The output of this assessment is reported to the directors at the Management Review where the continuous effectiveness of the system is assessed. Regular reporting at management level is in place regarding the use of resources, in particular in the fields of human resources and financial activities, and as part of the Agency planning and reporting cycle. Controls have been implemented through a robust IFACI certified internal audit capability, ex post and ex ante controls, exceptions, delegation of power, ethical committee, implementation of the 4 eyes principle, regular audits from ECA and IAS. Related corrective actions are then followed up as part of the management system.

In summary the information reported in Parts II and III stems from the:

- assurance given by the Agency management,
- results of the Internal control self-assessment of the EASA Management Standards,
- results of the Commission's services and Court of Auditors' audits and implementation of the measures to address weaknesses identified,
- reporting on exceptions and preventive/corrective actions implemented,
- mitigated actions implemented following the annual risk assessment exercise,
- ex-ante and ex-post controls,
- the ethical committee report.

This system, which was positively assessed at the occasion of the audit from IAS on building blocks assurance in November 2013, provides to the Executive Director a strong basis for the signature of declaration of assurance.

4.2 Reservations

On the basis of the information and the materiality criteria provided above, no reservation is needed.

4.3 Overall conclusions on assurance

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Executive Director, in his capacity as Authorising Officer has signed the Declaration of Assurance without reservation.

4.3.1   Declaration of Assurance from the Authorising Officer

I, the undersigned, Patrick Ky, Executive Director of the European Aviation Safety Agency, in my capacity as Authorising officer,

Declare that the information contained in this report gives a true and fair view[5].

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principle of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the EASA management standards self-assessment, exceptions analysis, ex-post controls, risk assessment, the work of the Internal Audit Capability, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported which could harm the interests of the Agency.

Patrick Ky,

Executive Director of the European Aviation Safety Agency

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[5] True and fair view in this context means a reliable, complete and correct picture of the state of affairs.

Annex I: Core business statistics

1. Key Performance Indicators (KPI)

Introduction:

The following tables contain the performance results of the Agency for 2014, measured via the performance indicators set out in the 2014 Work Programme. The Red-Amber-Green (RAG) rating system applied is the one presented during the FABS Advisory Group conference call on October 14th, 2014. In order to arrive at the results for the higher level indicators, the results of the lower level KPIs were accumulated and the assessment was based on the table below:

Result of lower level KPIs:	Result of Higher level KPIs:
All Green	Green
Green and 1 amber	Green
Green and 2 amber	Amber
Green and 1 red	Amber
All Amber	Amber
2 Amber and 1 red	Amber
2 red and 1 amber	Red
All red	Red

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Taking this scale into account and applying the RAG rating, the Agency notes that four indicators need specific attention:

2.1 Indicator: % of implementation of the Rulemaking work programme (only considering the task R committed for during the Year N of the adopted Rulemaking work programme)

The expected level of implementation of the Rulemaking programme in 2014 is 48%. It must be noted that additional 9 opinions/decisions were delivered but not included in the 2014 RMP.

3.1 Indicator: % of achieved visits against the approved Standardisation Inspection Programme

Some inspections in the FCL/MED and FSTD domain had to be postponed to 2015 due to EASA re-scheduling of tasks and unavailability of Simulators.

3.2 Indicator: % of Final Inspection Reports delivered to Member States within 10 weeks of the completion of the Inspection

With the introduction of the requirement to have 100% of the Final Inspection Reports delivered to Member States within 10 weeks of the completion of the Inspection, our analysis has shown that the level of readiness of the Agency and the Member States was not sufficient to achieve this shorter timeframe for report issuance (previously 12 weeks). The Agency has continued to ensure that agreement has been reached an all outstanding issues prior to the issuance of the reports to ensure completeness and a fair view. The reporting delays are analysed by section managers and this may result in streamlined administrative processes following the internal audit in 2015.

4.3 Indicator: % of new safety recommendations answered (i.e. actions taken or under consideration) in not more than 90 days

In 2014 the process for defining the initial response to safety recommendations has evolved, in such a way that we now ensure that this initial response gives a clear indication of the intended agency actions. In other words, the initial responses we are issuing now are not only formal responses, but are responses in substance. This explains the gap between the achieved percentage and the objective.

10.2 Indicator: Number of FTE spent on production of rules and FTE spent on support to rules

The target set for the current indicator is not achievable and it was defined under wrong assumptions.

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KEY PERFORMANCE AREA	EASA ACTIVITY AREAS			
	Certification & Approvals	**Regulation**	**Standardisation**	**Support**
Process/ Effectiveness	1. Efficiency of certification & approvals activities, including an acceptable level of continuing airworthiness oversight	2. Transparency and effectiveness in the rulemaking process	3. Adherence to safety standards through an efficient & effective Standardisation process	4. Efficiency of planning and support tasks to assist delivery of core activities
Stakeholders/ Customers	5.Industry satisfaction with certification and approvals process	6. Stakeholder satisfaction with rulemaking process	7. Stakeholder satisfaction with standardisation activities	8. Timeliness in the execution of key administrative tasks
Resources	9. Budget and internalisation policy adherence	10. Budget adherence & allocation of resources	11. Budget adherence and use of resources	12. Overall adherence to budget & capacity to limit support costs
Employees, learning and growth	13. Efficiency of human resources management and the development of staff			

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KEY PERFORMANCE AREA	EASA ACTIVITY AREAS			
	Certification & Approvals	**Regulation**	**Standardisation**	**Support**
Process/ Effectiveness	*Aim: Ensure an acceptable level of continuing airworthiness oversight* **1.1 Indicator: Number of yearly technical working hours performed as a percentage of planned hours (CAWR).**	*Aim: Implement rulemaking work programme* **2.1 Indicator: % of implementation of the Rulemaking Work Programme (only considering the task R committed for during the Year N of the adopted Rulemaking work Programme)**	*Aim: Efficiency and effectiveness of the Standardisation Inspection Programme* **3.1 Indicator: % of achieved visits against the approved Standardisation Inspection Programme**	*Aim: Improve the efficiency and effectiveness of support processes* **4.1 Indicator: % of working hours allocated to support tasks agency-wide versus total hours (actual versus planned)**

1.1 Indicator

	Target	Q4 Result	RAG Rating
2014	81%	77%	🟩

2.1 Indicator

	Target	Q4 Result	RAG Rating
2014	95%	86%	🟩

3.1 Indicator

	Target	Q4 Result	RAG Rating
2014	100%	94%	🟩

4.1 Indicator

	2014 Target	Q4 Result	RAG Rating
Support Tasks	24%	20%	🟩
Total Hours		1.225K	

Aim: Ensure the certification and approval process is performed in a timely manner

1.2 Indicator: % of positive feedback received through stakeholders feedback questionnaires after completion of the various certification tasks.

	Target	Q4 Result	RAG Rating
2014	70%	67%	🟩
Response rate		41%	

Aim: For EASA to discharge its obligations under the Basic Regulation to assist Member States in fulfilling their obligations under the Chicago Convention

2.2 Indicator: % of State Letter recommendations provided on time.

	Target	Q4 Result	RAG Rating
2014	90%	100%	🟩

3.2 Indicator: % of Final Inspection Reports delivered to Member States within 10 weeks of the completion of the Inspection

	Target	Q4 Result	RAG Rating
2014	100%	76%	🟧

Aim: Improve the efficiency of the debt recovery process

4.2 Indicator: Average number of days to cash recovery orders

	Target	Q4 Result	RAG Rating
2014	75 days	41 days	🟩

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KEY PERFORMANCE AREA	EASA ACTIVITY AREAS			
	Certification & Approvals	**Regulation**	**Standardisation**	**Support**
Process/ Effectiveness		*Aim: Efficiency of the rulemaking process and evolvement of stakeholder* **2.3 Indicator : % of positive feedback received from stakeholders on the rulemaking process and its outcome**	*Aim: To measure the progress of the introduction of risk elements in standardisation planning* **3.3 Indicator : Progress towards the implementation of risk based CMA (Continuous Monitoring Approach)**	*Aim: Improve the Agency response to formal safety recommendations* **4.3 Indicator: % of new safety recommendations answered (i.e. actions taken or under consideration) in not more than 90 days**

Regulation table:

	Target	Q4 Result	RAG Rating
2014	65%	83%* 63%**	

*Result of feedback from workshop held in 2014

** Results from Rulemaking stakeholder feedback survey

Standardisation table:

	Target	Q4 Result	RAG Rating
2014	85%*	100%	

Support table:

	Target	Q4 Result	RAG Rating
2014	97.5%	66.7%	

4.3 Indicator: In 2014 the process for defining the initial response to safety recommendations has evolved, in such a way that the Agency now ensures that this initial response gives a clear indication of the intended actions. In other words, the initial responses are not only formal responses, but are responses in substance. This explains the gap between the achieved percentage and the objective.

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KEY PERFORMANCE AREA	EASA ACTIVITY AREAS			
	Certification & Approvals	**Regulation**	**Standardisation**	**Support**
Stakeholders/ Customers	*Aim: Stakeholder (Industry) satisfaction* **5.1 Indicator: % of positive feedback received through stakeholders feedback questionnaires after completion of the various certification tasks**	*Aim: Stakeholder satisfaction* **6.1 Indicator: % of positive feedback on the process and the outcome of the stakeholder consultation**	*Aim: Stakeholder (Industry) satisfaction* **7.1 Indicator: Standardisation stakeholder feedback for Preparatory phase and Visiting phase**	*Aim: Timeliness in the execution of key administrative tasks* **8.1a Indicator: % of applications for initial airworthiness certification related activities processed to task allocation within 5 working days from application receipt**

Certification & Approvals — 5.1

	Target	Q4 Result	RAG Rating
2014	76%	75%	🟩
Response rate		41%	

Regulation — 6.1

%	Target	Q4 Result	RAG Rating
2014	65%	63%	🟩

Standardisation — 7.1

Phase	2014 Target	Q4 Result	RAG Rating
Preparatory	80%	88%	🟩
Visiting	80%	87%	🟩
Response rate	45%	46%	

7.2 Indicator: Average satisfaction for Standardisation Inspection and Follow up and closure

Phase	2014 Target	Q4 Result	RAG Rating
Inspection	80%	N/A	N/A
Follow up & closure	80%	N/A	N/A
Response rate	45%	N/A	N/A

*2014 data will be processed/analysed 2015

Support — 8.1a

	Target	Q4 Result	RAG Rating
2014	80%	82%	🟩

8.1b Indicator: % of certificates issued within 2 working days from technical visa receipt

%	Target	Q4 Result	RAG Rating
2014	90%	95%	🟩

8.2 Indicator: % of initial invoices prepared within 2 working days after the release of the project.

%	Target	Q4 Result	RAG Rating
2014	80%	84%*	🟩

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KEY PERFORMANCE AREA	EASA ACTIVITY AREAS			
	Certification & Approvals	**Regulation**	**Standardisation**	**Support**
Resources	*Aim: Budget adherence* **9.1 Indicator: Actual budget versus planned budget**	*Aim: Budget adherence* **10.1 Indicator: Actual budget versus planned budget**	*Aim: Budget adherence* **11.1 Indicator: Actual budget versus planned budget**	*Aim: Maintain high budget implementation rate* ***12.1 Indicator: % of executed commitments compared to the forecast considering the whole annual budget ***

Certification & Approvals 9.1:

	Target	Q4 Result	RAG Rating
2014	95%	90%	🟩

Regulation 10.1:

	Target	Q4 Result	RAG Rating
2014	95%	87%	🟩

Standardisation 11.1:

	Target	Q4 Result	RAG Rating
2014	95%	93%	🟩

Support 12.1:

	Target	Q4 Result	RAG Rating
2014	95%	97%	🟩

*The overall budget execution includes only C1 funds. Budget execution is in line with expectations, 95% represents a yearly target

Aim: Internalise certification tasks in line with internalisation policy
9.2 Indicator: Internal hours performed as a % of total hours (actual versus planned)

	Target	Q4 Result	RAG Rating
2014	76%	84%	🟩

Aim: Split of time spend on production of rules and supporting processes
10.2 Indicator: Number of FTE spent on production of rules and FTE spent on support to rules

FTE	Target	Q4 Result	RAG Rating
2014	35	22	🟥
2014	35	11	🟥

Aim: Monitor support costs in comparison to total costs
12.2 Indicator: % of support costs versus the total costs (actual versus planned)

	Target	Q4 Result	RAG Rating
2014	19%	19%	🟩

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10.2 Indicator: The target set for the current indicator is not achievable and it was defined under wrong assumptions.

KEY PERFORMANCE AREA	EASA ACTIVITY AREAS			
	Certification & Approvals	**Rulemaking**	**Standardisation**	**Support**

Employees, learning & growth

Aim: Improve the efficiency of technical staff.

13. Indicator: number of technical hours (project work) as % of total hours

	Target	Q4 Result	RAG Rating
2014	62.5%*	62%	

*Based on 1,000 hours or project work out of a total of 1,600 working hours

Aim: Learning organisation

13.1a Indicator: % of positive feedback from staff with regard to training

	Target	Q4 Result	RAG Rating
2014	n/a	93% (Gen. T) 90% (Tech T)	

13.1b Indicator: Number of training days per member of staff

Average man-days	Target	Q4 Result	RAG Rating
General Training	n/a	1.05	
Language training*	n/a	1.37	
Technical Training	n/a	0.31	
Total		2.73	

Aim: Staff planning versus vacancy rate

13.2 Indicator: % vacancy rate against the requested posts for the given years

	Q4 Result	RAG Rating
2014	5,1%	

*Based on a target of achievement of 95%

Aim: Overall well-being of the Agency

13.3 Indicator: Average Number of Sick Days per Full Time Equivalent

	Target	Q4 Result	RAG Rating
2014	9	6.3	

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2. Decision, Opinions and Notice of Proposed Amendments (NPAs) in 2014

Decisions

Decision	Task number	Subject
ED Decision 2014/001/R	RMT.0001 (20.002)	Airworthiness and operational consideration for Electronic Flight Bags (EFBs)
ED Decision 2014/002/R	RMT.0322 (OPS.055)	CS-FTL.1 - Initial Issue
ED Decision 2014/003/R	RMT.0322 (OPS.055)	AMC & GM to Part-ORO - Amendment 3
ED Decision 2014/004/R	RMT.0104 (21.039(C))	CS-MMEL - Initial issue
ED Decision 2014/005/R	RMT.0109 (21.039(J))	CS-GEN-MMEL - Initial issue
ED Decision 2014/006/R	RMT.0107 (21.039(f))	CS-CCD - Initial Issue
ED Decision 2014/007/R	RMT.0103 (21.039(b))	AMC & GM to Part 21 - Amendment 2 to Issue 2 - Operational Suitability Data (OSD)
ED Decision 2014/008/R	RMT.0105 (21.039(d))	CS-FCD - Initial issue
ED Decision 2014/009/R	RMT.0289 (OPS.001)	AMC and GM to Part-ORO - Amendment 4
ED Decision 2014/010/R	RMT.0001 (20.002)	CS-ETSO - Amendment 9
ED Decision 2014/012/R	RMT.0136 (ADR.001(a)) RMT.0137 (ADR.001(b)) RMT.0140 (ADR.002(a)) RMT.0141 (ADR.002(b))	AMC & GM Aerodromes - Initial Issue
ED Decision 2014/013/R	RMT.0144 (ADR.003(a)) RMT.0145(ADR.003(b))	CS-ADR-DSN - Initial issue
ED Decision 2014/014/R	RMT.0289 (OPS.001)	AMC and GM to Part-ARO - Issue 2
ED Decision 2014/015/R	RMT.0289 (OPS.001)	AMC & GM Part-CAT - Issue 2
ED Decision 2014/016/R	RMT.0289 (OPS.001)	Part-NCO / AMC / GM - Issue 2
ED Decision 2014/017/R	RMT.0289 (OPS.001)	AMC & GM Part-ORO - Issue 2
ED Decision 2014/018/R	RMT.0289 (OPS.001)	AMC & GM Part-SPO - Initial Issue
ED Decision 2014/019/R		GM to Regulation (EU) No 965/2012
ED Decision 2014/020/R	RMT.0199 (FCL.008(B))	AMC and GM to Part-ARA - Amendment 2
ED Decision 2014/021/R	RMT.0199 (FCL.008(B))	AMC and GM to Part-ORA - Amendment 2
ED Decision 2014/022/R	RMT.0199 (FCL.008(B))	AMC and GM to Part-FCL - Amendment 1
ED Decision 2014/023/R	RMT.0291 (OPS.004(b)	AMC & GM Part-TCO - Initial Issue
ED Decision 2014/024/R	RMT.0075 (26.008)	Termination of rulemaking task RMT.0075 (26.008) 'Fuel tank flammability of already certified Large Aeroplanes'
ED Decision 2014/025/R	RMT.0435 (OPS.087(B)) RMT.0441 (OPS.087(C))	AMC and GM to Part-ARO - Issue 3
ED Decision 2014/026/R		CS-25 - Amendment 15
ED Decision 2014/027/R	RMT.0364 (MDM.089)	on the possible courses of action for EASA to

		address the issue of volcanic ash ingestion in turbine engines
ED Decision 2014/028/R	**RMT.0350** **RMT.0351 (OPS.074)**	Helicopter Vibration Health Monitoring
ED Decision 2014/029/R	**RMT.0637**	Portable electronic devices II
ED Decision 2014/030/R	**RMT.0637**	Portable electronic devices II
ED Decision 2014/031/R	**RMT.0637**	Portable electronic devices II
ED Decision 2014/032/R	**RMT.0637**	Portable electronic devices II
ED Decision 2014/033/R	**RMT.0108 (21.039(g))**	CS-SIMD - Initial issue
ED Decision 2014/035/R	**RMT.0518**	AMC and GM for the implementation and measurement of safety (Key) Performance Indicators (S(K)PIs) - Issue 2

Opinions

Opinion	Task number	Subject
Opinion 01/2014	**RMT.0400 (OPS.090(a))** **RMT.0401 (OPS.090(b))**	Amendment of requirements for flight recorders and underwater locating devices
Opinion 02/2014	**RMT.0485** **RMT.0465**	Requirements for apron management services at aerodromes
Opinion 03/2014	**RMT.0148 (ATM.001(A))** **RMT.0149 (ATM.001(B))** **RMT.0157 (ATM.004(A))** **RMT.0158 (ATM.004(B))** **RMT.0473** **RMT.0474** **RMT.0469** **RMT.0470**	Requirements for service providers and the oversight thereof
Opinion 04/2014	**RMT.0609 (ATM.001(A))** **RMT.0610 (ATM.001(B))**	Amendment to Commission Implementing Regulation (EU) No 923/2012 laying down the common rules of the air and operational provisions regarding services and procedures in air navigation (SERA Part C)
Opinion 05/2014	**RMT.0172 (BR.012)** **RMT.0083 (34.003)** **RMT.0086 (36.007)**	Implementation of CAEP/9 amendments

Notice of Proposed Amendments (NPAs)

NPA	Task number	Subject
NPA 2014-01	**RMT.0269** **RMT.0270 (MDM.072 (a) & (b))**	Carriage of Special Categories of Passengers (SCPs)

NPA 2014-02	**RMT.0049 (25.029)**	Specific risk and standardised criteria for conducting aeroplane-level safety assessments of critical systems
NPA 2014-03	**RMT.0176 (E.004)**	Engine vibration surveys
NPA 2014-04	**RMT.0276 (MDM.076)**	Technical records
NPA 2014-05	**RMT.0609 (ATM.001(A))** **RMT.0610 (ATM.001(B))**	Amendment to Commission Implementing Regulation (EU) No 923/2012 laying down the common rules of the air and operational provisions regarding services and procedures in air navigation (SERA Part C)
NPA 2014-06	**RMT.0606**	Regular update of CS-25
NPA 2014-07	**RMT.0473** **RMT.0474**	Technical requirements and operational procedures for the provision of meteorological services
NPA 2014-08	**RMT.0518**	Safety Key Performance Indicators (SKPIs) (ATM Performance IR)
NPA 2014-09	**RMT.0148 (ATM.001(a))**	Transposition of Amendment 43 to Annex 2 to the Chicago Convention on remotely piloted aircraft systems (RPAS) into common rules of the air
NPA 2014-10	**RMT.0541**	Appendix I - Aircraft type ratings for Part-66 aircraft maintenance licence
NPA 2014-11	**RMT.0097 (145.024)**	Functions and responsibilities of B1 and B2 support staff - link with sign-off
A-NPA 2014-12	**RMT.0613**	European Commission policy initiative on aviation safety and a possible revision of Regulation (EC) No 216/2008
NPA 2014-13	**RMT.0469** **RMT.0470**	Assessment of changes to functional systems by service providers in ATM/ANS and the oversight of these changes by competent authorities
NPA 2014-14	**RMT.0637**	Portable electronic devices II
NPA 2014-15	**RMT.0172 (BR.012)** **RMT.0083 (34.003) RMT.0086 (36.007)**	Implementation of CAEP/9 amendments - Update of CS-34 and CS-36
NPA 2014-16	**RMT.0223 (MDM.024)** **RMT.0224 (MDM.025)**	High-intensity radiated fields (HIRF) and lightning
NPA 2014-17	**RMT.0411 (OPS.094)**	Crew Resource Management (CRM) training
NPA 2014-18	**RMT.0232** **RMT.0233 (MDM.031(A)&(B))**	Commercial air transport aeroplane operations at night or in IMC using single-engine turbine aeroplane
NPA 2014-19	**RMT.0132** **RMT.0515 (27&29.027)**	Helicopter Height-Velocity (H-V) limitations
NPA 2014-20	**RMT.0593** **RMT.0594**	Technical requirements and operational procedures for the provision of data for airspace users for the purpose of air navigation

NPA 2014-21	**RMT.0591**	Update of CS ADR-DSN.D.260 Taxiway minimum separation distance
NPA 2014-22	**RMT.0281 (MDM.082)**	New training methods and new teaching technologies
NPA 2014-23	**RMT.0456**	Integrated Modular Avionics (IMA ETSO-2C153)
NPA 2014-24	**RMT.0245 (MDM.048)**	Certification Specifications for Standard Changes & Standard Repairs (CS-STAN) - Phase 1
NPA 2014-25	**RMT.0190** **RMT.0191 (FCL.004 (A) & (B))**	Requirements for relief pilots
NPA 2014-26	**RMT.0560**	Halon: Update of Part-26 to comply with ICAO Standards
NPA 2014-27	**RMT.0217 (M.029)**	Continuing Airworthiness Management Organisations' (CAMOs) and Part-145 organisations' responsibilities
NPA 2014-28	**RMT.0421 (FCL.014)**	AMC/GM for non-complex approved training organisations (ATOs)
NPA 2014-29	**RMT.0188 (FCL.002(a))** **RMT.0189 (FCL.002(b))**	Amendments to Commission Regulation (EU) No 1178/2011 (the Aircrew Regulation)

3. Studies and research projects

In 2014 the Agency funded the launch of the following 5 research projects in a total volume of EUR 810.876,00.

Nr	Tender ref.	Tender
1.	EASA.2013.NP.15	High IWC II – Contribution to the Definition of Ice Water Content of Clouds at High Altitude SC002 (2nd specific contract): Contribution to the peer-review of raw data during the second HAIC/HIWC international field campaign and evaluation of all data by an agreed methodology
2.	EASA.2014.OP.15	Helicopter Main Gearbox Health (MGH)
3.	EASA.2014.OP.16	(CAQ) Preliminary Cabin Air Quality Measurement Campaign
4.	EASA.2014.LVP.24	Electronic Flight Bag EFB – Aircraft performance calculations and mass & balance, Best practices for evaluation and use of electronic flight bag
5.	EASA.2014.LVP.54	Angle of Attack Indication for General Aviation (AoA)

In 2014 the Agency received and accepted the final reports of the following research projects:

Nr	Tender ref.	Tender title
1.	EASA.2012.NP.35	HELMGOP II – Helicopter Main Gearbox Loss of Oil Performance Optimisation
2.	E.2.2013.NP.08	RECAT EU Review
3.	EASA.2013.NP.15	High IWC II – Contribution to the Definition of Ice Water Content of Clouds at High Altitude SC001 (1st specific contract): Contribution to the HAIC/HIWC international field campaign over Darwin, Australia in the 1st quarter of 2014
4.	EASA.2013.OP.12	CODAMEIN – III Composite Damage Metrics and Inspection

In 2014 the Agency published the final reports of the following research tenders in its official publication:

Nr	Tender ref.	Final Report title
1.	EASA.2010.OP.13	Studying, sampling and measuring of aircraft particulate emissions III: Specific Contract 05 (SAMPLE III – SC05)
2.	EASA.2012.OP.09	Study on single-engine helicopter operations over a hostile environment

Annex II: Statistics on financial management [6]

Executed Budget for 2014 (All figures in thousands of euro - € '000)

REVENUES	Executed Budget 2013[7]	Executed Budget 2014	Budget 2015
1 REVENUE FROM FEES AND CHARGES	81,836	96,993	91,933
2 EUROPEAN COMMUNITY SUBSIDY	34,862	34,174	36,370
3 THIRD COUNTRIES CONTRIBUTION (incl. EFTA and candidate countries)	1,959	2,072	2,138
4 OTHER CONTRIBUTIONS	5,239	3,268	9,200
5 ADMINISTRATIVE OPERATIONS	869	796	950
6 REVENUES FROM SERVICES RENDERED AGAINST PAYMENT	105	125	100
7 CORRECTION OF BUDGETARY IMBALANCES8	0	0	21,335
TOTAL REVENUES	**124,870**	**137,428**	**162,026**
Fees and Charges total revenues[9]	82,659	97,713	92,750
Regulatory activities total revenues10	**36,973**	**36,447**	**38,741**

EXPENDITURES	Executed Budget 2013	Executed Budget 2014	Budget 2015
T1 STAFF	69,427	74,759	78,110
T2 BUILDINGS EQUIPMENT	15,800	16,226	18211
T3 OPERATIONAL	38,516	33,056	37,115
T4 SPECIAL PROGRAMMES	3,352	5,343	9,200
T5 RESERVE	0	0	19,390
TOTAL EXPENDITURES	**127,095**	**129,384**	**162,026**

NB: Fund sources C1 and R0 (current year budget), C4 and C5 (internal assigned revenue).

Budget transfers and amending budgets:

55 transfers totalling € 6 308M and one amending budget were carried out in 2014 (further details are in the EASA final Annual Accounts).

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[6] The final report from the European Court of Auditors on the EASA 2014 accounts is expected to be received in June 2015
[7] As published in the Official Journal of the European Union 2015/C 531/14
[8] The final amount for the correction of the budgetary imbalances will be inscribed with the 1st amending budget 2015
[9] Revenues do not include the carried forward assigned revenues
[10] Regulatory activities total revenues do not include assigned revenues for international cooperation projects

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The most significant transfers during 2014 were:

€ 1.741M was transferred, from Title 1 (Staff Costs) mainly due to the non-adoption of expected salary increases, to fund some high priority projects including:

- European Central Question Bank (ECQB) project - € 0.126M
- Purchase of a tool to better support the Certification core business processes and Clean Sky 2 project - € 0.220M
- Development of safety data tools - € 0.100M
- External audit - € 0.070M
- Missions for Standardisation activities - € 0.140M
- Big Data project feasibility study - €0.300K
- Research projects (vibration health monitoring, angle of attack indication for GA pilots & research on cabin crew quality) - € 0.570M
- C02 Work - € 0.215M

€ 1.070M to align the Agency's mission budget to the new organisational structure following the convergence project.

All transfers made between titles respected the 10% limits mentioned in the financial regulation.

Late payment interest

Late payment interest in 2014 amount to € 12 427.

Expenditure breakdown per activity (All figures in thousands of euro - € '000)

			2013	2014	Budget 2015
Fees and Charges activities	Product Certification	Revenue	54,128.7	61,305.8	64,635.8
		Title 1	(33,103.4)	(36,514.7)	(38,054.6)
		Title 2	(6,490.4)	(6,820.2)	(8,594.8)
		title 3 NAA/QE	(12,501.0)	(11,566.8)	(15,473.3)
		Title 3	(3,558.8)	(3,258.0)	(3,956.3)
		Title 4	-	-	-
		Total	(1,524.8)	3,146.2	(1,443.1)
	Organisations	Revenue	25,354.1	28,673.6	28,114.4
		Title 1	(10,238.6)	(12,290.9)	(12,138.1)
		Title 2	(1,889.5)	(2,143.3)	(2,905.5)
		title 3 NAA/QE	(9,446.6)	(8,528.2)	(11,478.0)
		Title 3	(1,594.9)	(979.3)	(2,094.7)
		Title 4	-	-	-
		Total	2,184.4	4,732.0	(501.9)
	Third Country Op.	Revenue	13.5	-	-
		Title 1	(837.8)	-	-
		Title 2	(167.4)	-	-
		title 3 NAA/QE		-	-
		Title 3	(46.2)	-	-
		Title 4	-	-	-
		Total	(1,037.9)	-	-
		Reserve adj for new building	-	-	1,945.0
		Total F&C	(378.3)	7,878.2	(0.0)
Subsidy and other contributions		EC Subsidy	35,031.8	33,749.7	36,370.0
		third country contribution	991.4	1,036.1	2,138.0
		Other income	3,363.3	4,406.5	233.1
	Third Country Op.	Title 1	-	(1,211.8)	(1,119.2)
		Title 2	-	(198.5)	(249.2)
		Title 3	-	(64.2)	(181.8)
		Title 4	-	-	-
		Total	-	(1,474.5)	(1,550.2)
	Standardisation	Title 1	(6,909.8)	(6,581.0)	(8,567.5)
		Title 2	(1,217.8)	(1,158.8)	(1,852.1)
		Title 3	(570.7)	(1,557.5)	(931.9)
		Title 4	-	-	-
		Total	(8,698.3)	(9,297.3)	(11,351.5)
	SAFA	Title 1	(988.9)	(996.3)	(842.2)
		Title 2	(164.1)	(163.6)	(232.5)
		Title 3	(89.9)	(55.2)	(123.0)
		Title 4	-	-	-
		Total	(1,242.9)	(1,215.2)	(1,197.8)
	Rulemaking	Title 1	(14,075.4)	(11,489.2)	(10,177.9)
		Title 2	(2,383.0)	(2,281.4)	(2,416.3)
		Title 3	(3,542.6)	(1,896.8)	(1,396.3)
		Title 4	(24.1)	(3.3)	-
		Total	(20,025.2)	(15,670.6)	(13,990.5)
	International Cooperatio	Title 1	(1,606.4)	(4,012.7)	(4,574.4)
		Title 2	(747.7)	(721.0)	(1,175.5)
		Title 3	(973.6)	(480.4)	(521.2)
		Title 4	(2,846.7)	(3,965.3)	
		Total	(6,174.3)	(9,179.3)	(6,271.0)
	Strategic Safety	Title 1	(1,428.3)	(1,337.9)	(2,636.3)
		Title 2	(298.7)	(318.5)	(785.0)
		Title 3	(1,264.2)	(807.6)	(958.8)
		Title 4	-	(0.8)	-
		Total	(2,991.2)	(2,464.8)	(4,380.1)
		Total Subsidy and other contr.	254.5	(109.3)	(0.0)

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Annex III: Organisational chart

EXECUTIVE DIRECTOR
P. KY

EXECUTIVE DIRECTOR'S OFFICE

COMMUNICATION
D. FOUDA

INTERNAL AUDIT & QUALITY
V. MAGNIER

LEGAL
F. MANUHUTU

STRATEGY & SAFETY MANAGEMENT DIRECTOR
P. KY (acting)
(L. TYTGAT *)

- **SAFETY INTELLIGENCE & PERFORMANCE**
  R. DAESCHLER
- **STRATEGY & PROGRAMMES**
  J.-M. CLUZEAU
- **INTERNATIONAL COOPERATION**
  T. SULOCKI

CERTIFICATION DIRECTOR
N. LOHL

- **DEPUTY DIRECTOR CERTIFICATION**
  F. COPIGNEAUX
- **LARGE AEROPLANES**
  A. LEROY
- **GENERAL AVIATION & REMOTELY PILOTED AIRCRAFT SYSTEMS (RPAS)**
  Y. MORIER
- **ROTORCRAFT**
  M. MAZZOLETTI
- **PROPULSION, PARTS & APPLIANCES**
  M. GOERNEMANN
- **ENVIRONMENT**
  G. READMAN
- **DESIGN ORGANISATIONS**
  D. ROLAND
- **CERTIFICATION POLICY & SAFETY INFORMATION**
  R. ERCKMANN

FLIGHT STANDARDS DIRECTOR
T. WOODS

- **DEPUTY DIRECTOR FLIGHT STANDARDS**
  W. SCHULZE
- **MAINTENANCE & PRODUCTION**
  J. HALL
- **AIR OPERATIONS**
  C. TREVISAN
- **AIRCREW & MEDICAL**
  G. REBENDER
- **AIR TRAFFIC MANAGEMENT/ AIR NAVIGATION SERVICES (ATM/ANS) & AERODROMES**
  J. MYLLARNIEMI
- **POLICY & PLANNING**
  W. SCHULZE (acting)

RESOURCES & SUPPORT DIRECTOR
J.-M. MASTIO (acting)
(O. RAMSAYER *)

- **HUMAN RESOURCES**
  R. LENTI
- **INFORMATION TECHNOLOGY**
  C. GANDOLFI
- **CERTIFICATION & APPROVAL SUPPORT**
  F. STEFFENS
- **FINANCE & PROCUREMENT**
  J.-M. MASTIO
- **CORPORATE SERVICES**
  C. HOLGATE-ROMANOV

* start date on 1 January 2015

Figure 1: EASA Organisation Chart (31/12/2014)

Annex IV: Establishment plan and additional information on Human Resources management

This part provides analysis and statistics of the staff employed at the end of the reporting period, according to different parameters such as nationality, gender and age. For all tables in this part, figures reflect the situation on 31/12/2014.

Figure 1 Establishment plan

Category and grade	Establishment plan in EU Budget 2014	Revised establishment plan in application of 10% flexibility procedure	Actually filled posts as of 31/12/2014	Establishment plan in EU Budget 2015	Occupation rate on 31/12/2014
	TA	TA	TA	TA	
AD 16					
AD 15	2	2	1	2	
AD 14	14	14	6	23	
AD 13	21	21	12	31	
AD 12	37	42	16	48	
AD 11	60	66	18	72	
AD 10	84	89	74	95	
AD 9	107	114	81	118	
AD 8	100	90	94	81	
AD 7	75	69	128	55	
AD 6	46	33	74	24	
AD 5	5	3	11	2	
Total AD	**551**	**543**	**515**	**551**	**94.9%**
AST 11			0	0	
AST 10			0	0	
AST 9	1	1	0	1	
AST 8	4	3	0	4	
AST 7	11	11	0	12	
AST 6	23	23	4	22	
AST 5	32	36	10	32	
AST 4	28	28	28	26	
AST 3	18	21	52	18	
AST 2	15	16	28	11	
AST 1	2	3	13	2	
Total AST	**134**	**142**	**135**	**128**	**95.1%**
Total AST/SC					
TOTAL	**685**	**685**	**650**	**679**	**95%**

Only Temporary Agent (TA) posts are considered in the table. This table shows the filled posts at the end of the reporting period and not the number of employed staff. It has to be noted that two structural part time pilots occupy only one post. Therefore, EASA employs 651 temporary agents while filling in 650 posts. The number includes also 8 offer letters sent by 31/12/2014.

All posts authorised in the EASA Establishment Plan are "Temporary Agents". The Agency does not employ Permanent Officials.

It should be noted that it is possible in EU institutions to "under-occupy" posts which means to fill a post with a staff member whose contractual grade is lower than the theoretical grade attached to the post. In fact, the distribution of grades in the Establishment Plan corresponds to the "highest" authorised distribution of contractual grades, where the filled posts are counted from the highest to the lowest with a cascading mechanism.

Figure 2. Staff distribution by directorate (Temporary Agents)
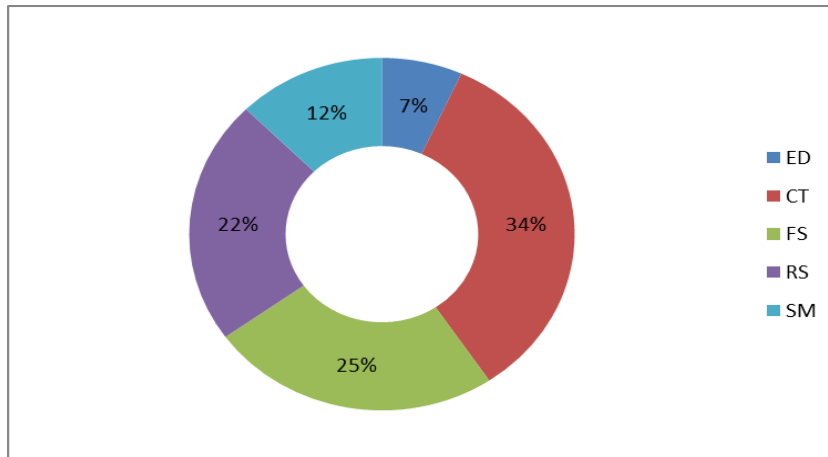
Figure 3. Gender distribution (Temporary Agents)
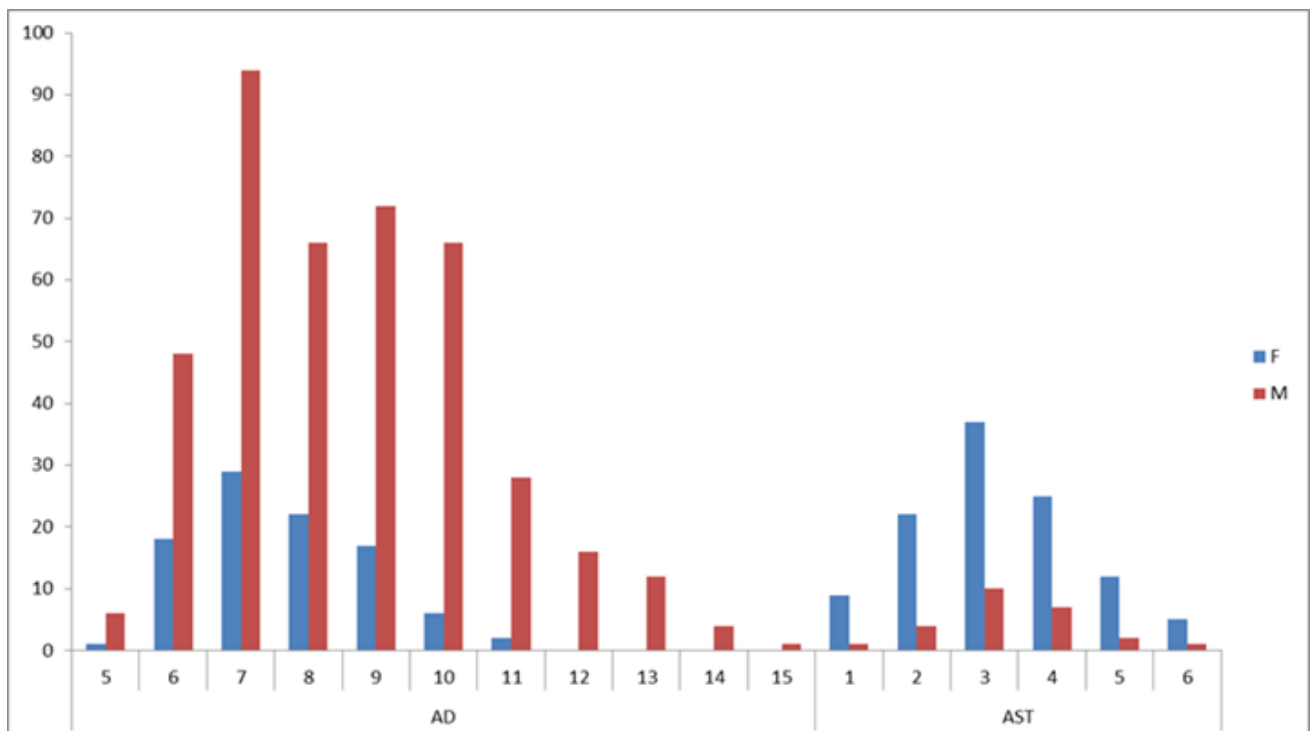
Figure 4. Nationality distribution (Temporary Agents)

EASA staff by nationality
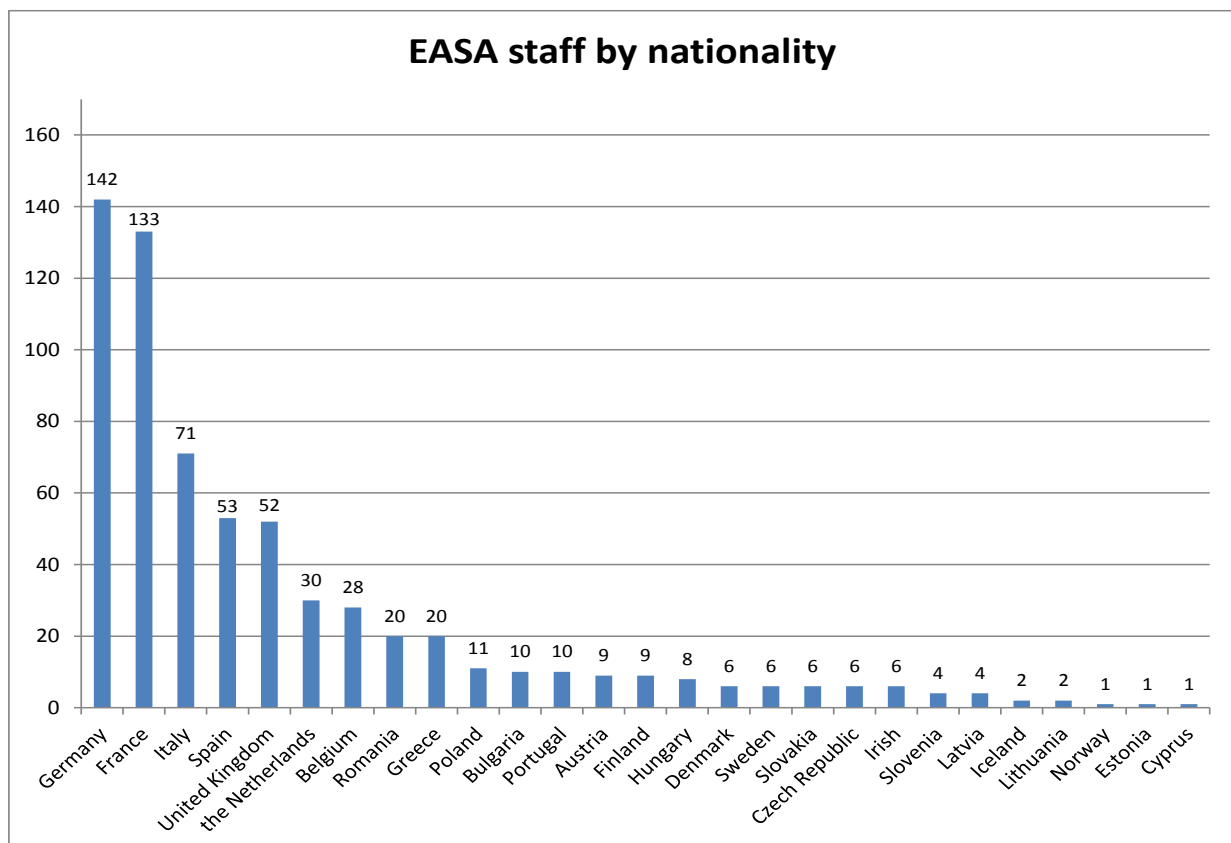
Benchmarking exercise on Agency posts

The table below has been compiled on the basis of the methodology provided by the Network of Agencies, in turn based on the methodology for screening and benchmarking of posts applied by the Commission.

Posts considered in this exercise are Temporary Agents, Contract Agents and structural consultants.

The first year of application of this exercise is 2014, so no benchmarking with the previous year is foreseen.

Figure 5. Benchmarking

Job Type (Sub Category)	Year N-1 (%)	2014 (%)
Administrative Support and Coordination	n/a	14,0%
Administrative Support	-	11,3%
Coordination	-	2,7%
Operational	n/a	78,7%
Top Level Operational Coordination	-	1,6%
Programme Management & Implementation	-	48,9%
Evaluation & Impact Assessment	-	10,9%
General Operational	-	17,3%
Neutral	n/a	7,3%
Finance/Control	-	6,7%
Linguistics	-	0,6%

Figure 6. Overview on the entry level for each type of post:

Key functions (examples)	Type of contract (official, TA or CA)	Function group, grade of recruitment (or bottom of the brackets if published in brackets)	Indication whether the function is dedicated to administration support or policy (operational)

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CORE FUNCTIONS			
Director	Temporary Agent Level 2	AD14	Depending on the Directorate: operational in the Aviation area, support in the Administrative area, e.g.: Finance and Business Services Director (support); Certification Director (operational)
Head of Department *(please identify which level in the structure it corresponds to taking the Director as level 1)*	Temporary Agent Level 3	AD 9 – AD12 (depending on complexity, size, responsibilities of the Department)	Depending on the Department: operational in the Aviation area, support in the Administrative area, e.g.: Head of Finance (support); Head of Product Department (operational)
Head of Unit *(please identify which level in the structure it corresponds to taking the Director as level 1)*	n/a	n/a	n/a
Head of Section *(please identify which level in the structure it corresponds to taking the Director as level 1)*	Temporary Agent "Section Manager" Level 4 (excluded from management allowance)	AD 7 – AD 10 (depending on complexity, size, responsibilities of the section)	Depending on the Section (operational in the Aviation area, support in the Administrative area)
Senior Officer	Temporary Agent	AD 9	Depending on the Section (operational in the Aviation area, support in the Administrative area)
Officer	Temporary Agent or CA IV	AD7	Depending on the Section (operational in the Aviation area, support in the Administrative area)
Junior Officer	Temporary Agent or CA IV	AD5	Depending on the Section (operational in the Aviation area, support in the

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			Administrative area)
Senior Assistant	Temporary Agent or CA III	AST3	Depending on the Section (operational in the Aviation area, support in the Administrative area)
Junior Assistant	Temporary Agent or CA III	AST1	Depending on the Section (operational in the Aviation area, support in the Administrative area)
SUPPORT FUNCTIONS			
Head of Administration	Temporary Agent	n/a	
Head of Human Resources	Temporary Agent	AD 11	
Head of Finance	Temporary Agent	AD 11	
Head of Communication	Temporary Agent	AD 10	
Head of IT	Temporary Agent	AD 10	
Senior Officer	Temporary Agent	AD 8/9	
Officer	Temporary Agent	AD 6/7	
Junior Officer	Temporary Agent	AD 5	
Webmaster- Editor	Temporary Agent	AD 5 ("Web Content Officer/Web Master")	
Secretary	Temporary Agent	AST 1	
Mail Clerk	n/a	n/a	
SPECIAL FUNCTIONS			
Data Protection Officer	Temporary Agent	AD 5	
Accounting Officer	Temporary Agent	AD 9	
Internal Auditor	Temporary Agent	AD 7	

Annex V: Staffing

Figure 1. Temporary Agent posts per activity

Temporary Agents	Actual	Actual	MSPP
	2013	2014	2015
Safety Assessment and Promotion	17	17	18
Regulation	78	73	73
Product Safety Oversight	266	272	288
Standardisation	47	45	51
Organisation Approvals	66	68	74
Operators	15	17	17
International Cooperation	17	17	17
Support Activities	147	141	141
Total Agency	653	650	679
Delta year on year		-3	29
F&C financed	432	437	453
Delta year on year		5	16
Subsidy financed	221	213	226
Delta year on year		-8	13

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Temporary Agents per organisational unit

Figure 2. Staff repartition showing old organisation versus new organisation 01/09/2014

STAFFING BY DIRECTORATE / DEPT   **STAFFING BY DIRECTORATE / DEPT**

New Organisational Structure as of 01/09/2014

TEMPORARY AGENTS	DEPT.	MSPP 2014	TA Actually employed 31/12/2014	MSPP 2015	DEPT.	TEMPORARY AGENTS
Director's Office	E.0	9	10	10	ED.0.1	Executive Director's Office
Communications & External Relations Department	E.1	6	7	7	ED.1	Communications Department
Safety Analysis & Research Department	E.2	31				
Internal Audit & Quality Department	E.3	8	10	10	ED.3	Internal Audit & Quality Department
Policy Officers	E.4	3				
Legal department	E.5	15	15	15	ED.2	Legal department
Professional and Organisational Department	E.6	23				
General Affairs Department	E.7	2				
International Cooperation	E.8	17				
EXECUTIVE DIRECTORATE		**114**	**42**	**42**		**EXECUTIVE DIRECTORATE**
Director's Office	C.0	3	8	8	CT.0	Director's Office
Products Department	C.1	105	81	83	CT.1	LA Department
Experts Department	C.2	109	28	34	CT.2	GA Department
Certification Policy & Planning Department	C.4	7	40	41.5	CT.3	Rotorcraft Dpt
ATM & ANS Systems Department	C.5	4	28	29	CT.4	Propulsion
			11	11	CT.5	Environment
			28	28	CT.6	DO Department
			22	22	CT.7	Certification Policy & Safety Information Department
CERTIFICATION DIRECTORATE		**228**	**246**	**256.5**		**CERTIFICATION DIRECTORATE**
Director's Office	R.0	4	2	3	SM.0	Director's Office
Environmental Protection Department	R.2	4	22	24	SM.1	Safety Intelligence and Performance Department
Flight Standards Department	R.3	23	21	23	SM.2	Strategy and Programmes Department
Product Safety Department	R.4	18	27	31	SM.3	International Cooperation Department
ATM/Airport Department	R.5	18				
Process Support Department	R.6	12				
RULEMAKING DIRECTORATE		**79**	**72**	**81**		**STRATEGY AND SAFETY MANAGEMENT**
Director's Office	S.0	5	4	5	FS.0	Director's Office
Standardisation Department	S.1	50	55	55	FS.1	Maintenance and Production Department
Organisations Department	S.2	74	41	43	FS.2	Air Operations Department
Technical Training Department	S.3	12	32	34.5	FS.3	Air Crew & Medical Department
Operators Department	S.4	15	31	34	FS.4	Air Traffic Mgmt/ Air Navigation Services & Aerodr. Dept
			11	11	FS.5	Policy and Planning Department
APPROVALS AND STANDARDISATION DIRECTORATE		**156**	**174**	**182.5**		**FLIGHT STANDARDS**
Director's Office	F.0	4	3	3	RS.0	Director's Office
Applications & Procurement Section Department	F.1	33	25	26	RS.1	Human Resources Department
Finance Services Department	F.2	28	17	17	RS.2	IT Department
Information Services Department	F.3	20	28	27	RS.3	Certification and Approval Support Department
Corporate Services Department	F.4	10	35	35	RS.4	Finance and Procurement
Procurement Services Department	F.5	13	9	9	RS.5	Corporate Services Department
FINANCE & BUSINESS SERVICES DIRECTORATE		**108**	**117**	**117**		**RESOURCES AND SUPPORT**
SUBTOTAL TEMPORARY AGENTS		**685**	**651**	**679**		**SUBTOTAL TEMPORARY AGENTS**

NB: The table refers to Temporary Agents employed and counts 651 due to two part time pilots occupying one post.

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Annex VI: related to part 2

1. Procurement procedures launched and/or finalised in 2014

COMPLETED PROCEDURES - LAUNCHED IN 2014									
DIR	TYPE OF PROCEDURE	PUBLICATION REF.:	LOT NO.:	TITLE OF CONTRACT	TYPE OF CONTRACT	CONTRACT VALUE	CONTRACTOR	CONTRACT SIGNATURE	CONTRACT EXPIRY
RS	Open	EASA.2014.OP.01		Cleaning Services	Framework	€ 625,000.00	Dussmann Service Deutschland GmbH	17/12/2014	16/06/2017
SM	Open	EASA.2014.OP.15		Helicopter Main Gearbox Health (MGH)	Direct	€ 150,000.00	London South Bank University	12/12/2014	11/10/2015
RS	Open	EASA.2014.OP.06		Relocation Services	Framework	€ 100,000.00	Crown Worldwide GmbH	09/12/2014	31/12/2018
SM	Open	EASA.2014.OP.14		Feasibility Study - Big Data Project	Direct	€ 295,000.00	BearingPoint France SAS	02/12/2014	01/09/2015
SM	SC with re-opening of competition (EASA)	EASA.2011.OP.14 /L1.04		CAEP FESG support	Specific	€ 73,250.00	RICARDO AEA	02/12/2014	15/11/2015
RS	Negotiated	EASA.2014.NP.11		Telecommunication services – Mobile phone services	Framework	€ 2,000,000.00	Telekom Deutschland GmbH	28/10/2014	27/10/2018
ED	SC with re-opening of competition (INTERIN)	TBC		External Auditor (ECA)	Specific	€ 28,000.00	Mazars	20/10/2014	31/07/2015
RS	Open	EASA.2014.OP.05	1	Telecommunication Services - Internet & Land line Services	Framework	€ 1,700,000.00	T-Systems International GmbH	23/06/2014	07/10/2021
RS	Open	EASA.2013.OP.21		Outsourcing of certification tasks - limited re-opening	Framework	N/A	Flight Test Mgmt. LLP	14/07/2014	07/04/2017
SM	Open	EASA.2014.OP.16		Preliminary Cabin Air Quality (CAQ) Measurement Campaign	Direct	€ 330,000.00	ITEM & MHH Consortium : Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e.V. (leader) & Medizinische Hochschule Hannover	24/02/2015	01/11/2016

ONGOING PROCEDURES - LAUNCHED IN 2014								
DIR	**TYPE OF PROCEDURE**	**PUBLICATION REF.:**	**LOT NO.:**	**TITLE OF CONTRACT**	**TYPE OF CONTRACT**	**BUDGET OF PROCEDURE**	**ESTIMATED DATE OF CONTRACT SIGNATURE**	**LAUNCHED**	**STATUS**
ED	Call for Expression of Interest	EASA.2014.CEI.07		Database of Independent Individual External Experts	Experts	N/A	N/A - Call open for 5 years - in excess of 800 applications have been received so far.	Y	ONGOING
RS	Negotiated	EASA.2014.LVP.50		Banking Services - Deposit/savings account	Framework	N/A	N/A	Y	CCANCELLED – NO SUITABLE OFFERS
SM	Restricted	EASA.2014.RP.08 - PHASE 1		SOFIA - Development and Implementation of Safety Oversight Facilitated Integrated Application (SOFIA) project	Framework	€ 4,500,000.00	[April 2015]	Y	COMPLETED
		EASA.2014.RP.08 - PHASE 2						Y	IN COMPLETION
RS	Restricted	EASA.2014.RP.12 - PHASE 1	1	LOT 1: Management training and organisational development	Framework	€ 600,000.00	[May 2015]	Y	IN COMPLETION
			2	LOT 2: Business skills		€ 500,000.00			
			3	LOT 3: Intercultural awareness and international representation		€ 350,000.00			
			4	LOT 4: Team development		€ 600,000.00			
CT	Open	EASA.2014.OP.13	1	Pilot Training	Framework	€ 200,000.00	[May 2015]	Y	IN COMPLETION
			2			€ 90,000.00			
			3			€ 120,000.00			
RS	Open	EASA.2014.OP.18	1	IT Services Brussels Office - Voice Telephony & Internet	Framework	€ 60,000.00	[May 2015]	Y	CANCELLED – NO SUITABLE OFFERS
			2	IT Services Brussels Office - Mobile Telephony		€ 120,000.00			

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2. Waivers of recoveries

According to article 60 "Waiving of recovery of an established amount receivable" of the current EASA Financial Implementing Rules, waivers involving EUR 100 000 or more shall be annexed to the Annual Activity Report. All cases which took place in 2014 were below this threshold.

3. Summary of MB Decisions taken in 2014

MB 01/2014:

- Adopted the 2014-2018 Business Plan

- Adopted the 2014 Budget

- Adopted the revised EASA Financial Regulation

- Adopted the 2015-2017 Staff Policy Plan (with the abstention of the Commission, as discussions are still on-going with DG BUDG and DG HR)

- Adopted the FABS Terms of Reference

- Endorsed a report on the status quo of European Central Question Data Bank (ECQB)

- Endorsed key elements of the EASA Reorganisation

- Endorsed the IAS Strategic Audit Plan 2014-2016

- Discussed the new TCO authorisation procedure

- Discussed the 2013 standardisation results and the new risk based Continuous Monitoring Approach

- Discussed the AGR 2013

MB 02/2014:

- Adopted the MB opinion on the Annual Accounts

- Adopted the First amending budget

- Adopted the 2013 Annual General Report

- Adopted the EASA Internal Audit Charter

- Discussed the MB Subgroup´s Report on the Future of the European Aviation Regulatory System

- Discussed the General Aviation Roadmap

- Exchanged with the FAA on their "ASIAS programme" regarding big data

MB 03/2014:

- Appointed the Strategy and Safety Management Director and the Resources and Support Director

- Nominated Mr Pekka Henttu as the new Management Board Chair

- Adopted, by analogy, several Implementing Rules to the Staff Regulations and agreed for the Agency to request several derogations and one opt-out to these rules

- Endorsed the MB Subgroup´s Report on the Future of the European Aviation Regulatory System

- Discussed the 2015 Standardisation Inspection Programme

MB 04/2014:

- Adopted the transfer of Mr Trevor Woods to the post of Certification Director

- Nominated Mr Piotr Olowski as the new Management Board Vice-Chair

- Adopted the EASA Budget 2015

- Adopted the carry-over of appropriations for a Cabin Air Quality research contract

- Adopted the EASA Financial Implementing Rules

- Endorsed the EASA anti-fraud strategy

- Endorsed the 2015 internal audit programme

- Endorsed the Internal Audit Service mission charter

- Agreed on a "MB and FABS outlook" report, proposing a way forward to reinforce role of the FABS Advisory Group and improve efficiency of the work of the MB

- Endorsed a plan of a single assessment, by EASA, of Authority requirements applicable in Air Operations and Aircrew, as well as of a review of the implementation of the EASp

- Endorsed the plan for an EU Alerting System (a common, single source of advice on operational recommendations and flight restrictions)

- Took note and supported the work done until date regarding the setting-up of the European Central Question Data Bank (ECQB)

- Took note of the Certification Strategy Industry/EASA Working Group (CSIE Report)

- Agreed on the MB meetings dates for the year 2015

Annex VII: related to part 3

1. Agency actions to prevent and manage Conflict of Interest

The Agency adopted in 2012 the policy "Code of Conduct for the staff of EASA", which also includes rules related to the "prevention and mitigation of Conflict of Interest" and "Gifts and Hospitality". The adoption and implementation of this policy aims to ensure that EASA staff members act with impartiality, independence and integrity when performing their duties, one of the key principles of the governance of all EU institutions and Agencies.

For 2014, the result of the application of the adopted policy and procedure can be summarised as follows:

1. Cases of conflicts of interest verified: EASA has reviewed and verified 367 declarations of interest in light of the established policy.

2. Cases of revolving door identified: There were no cases identified in 2014.

3. Measures taken in each category of cases: N/A in 2014 as no conflict of interest instances were found in the 367 declarations reviewed and there was no case of revolving door identified in 2014, for which we have been notified.

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Annex VIII: final annual accounts ('000 Euro)

OPERATING REVENUE	2014	2013
Fees and Charges	89,387	78,324
Contribution from EU entities	37,721	37,903
Recovery of expenses	923	1,062
Other		
Contribution from EFTA countries	1,036	991
TOTAL OPERATING REVENUE	**129,067**	**118,280**
OPERATING EXPENSES		
Staff expenses	(71,810)	(67,819)
Buildings and related expenses	(9,551)	(7,716)
Other expenses	(6,091)	(7,706)
Depreciation and write offs	(983)	(2,192)
Outsourcing and contracting activities	(32,059)	(35,684)
TOTAL OPERATING EXPENSES	**(120,494)**	**(121,117)**
SURPLUS (DEFICIT) FROM OPERATING ACTIVITIES	**8,573**	**(2,837)**
NON OPERATING REVENUES(EXPENSES)		
Interests received from third parties	111	603
Interests & charges paid to third parties	(71)	(54)
SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES	**40**	**549**
SURPLUS/ (DEFICIT) FROM ORDINARY ACTIVITIES	**8,613**	**(2,288)**
SURPLUS/ (DEFICIT) FROM EXTRAORDINARY ITEMS		
NET SURPLUS FOR THE PERIOD	**8,613**	**(2,288)**

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Annex IX: EASA Management Board Members

The EASA Management Board brings together representatives of the Member States and the European Commission. The Management Board is responsible for the definition of the Agency's priorities, the establishment of the budget and for monitoring the Agency's operation.

The (Management) Board met four times during 2014.

Composition[11]

Members with voting rights	European Commission and European Member States (28)
Members without voting rights	Norway, Liechtenstein, Iceland, Switzerland
Observers	Albania, Bosnia and Herzegovina, FYROM, Montenegro, Serbia and United Nations mission in Kosovo (to be nominated)

Also, the EASA Advisory Board (EAB) participates in the Management Board meetings as observer.

Chair of the Management Board	Deputy Chair of the Management Board
Mr Michael SMETHERS (United Kingdom) Until September Mr Pekka Henttu (Finland) As of September	Mr Pekka Henttu (Finland) Until September Mr Piotr OŁOWSKI (Poland) As of December

The members of the Management Board are:

Country	Member
Austria	**Ms Silvia GEHRER** Bundesministerium für Verkehr, Innovation und Technologie
Belgium	**Mr Frank DURINCKX** Directeur Général Service Public Fédéral Mobilité Et Transport Direction Générale Transport Aérien

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[11] EASA MB Members current as on December 2014. A detailed list of EASA MB Members is available on the EASA website http://www.easa.europa.eu/management-board/management-board.php.

Bulgaria	**Captain Mintcho TZVETKOV**
	Director General
	Civil Aviation Administration
Croatia	**Mr Dan SIMONIĆ**
	Director General for Civil Aviation Electronic Communications and Postal Services
	Ministry of Maritime Affairs, Transport and Infrastructure
Cyprus	**Mr. Nicos NICOLAOU**
	Acting Director
	Department of Civil Aviation
	Ministry of Communications and Works
Czech Republic	**Mr Josef RADA**
	General Director
	Civil Aviation Authority of the Czech Republic
Denmark	**Mr Jesper RASMUSSEN**
	Deputy Director General
	Danish Transport Authority
Estonia	**Mr Kristjan TELVE**
	Director General
	Civil Aviation Administration
Finland	**Mr Pekka Henttu**
	Director General
	Civil Aviation, Finnish Transport Agency (TraFi)
France	**Mr Patrick CIPRIANI**
	Directeur de la sécurité de l'aviation civile Nord (DSAC/DSAC-N)

Germany	**Mr Josef SCHILLER**
	Director Airworthiness, Operations, Licencing
	Bundesministerium für Verkehr, Bau und Stadtentwicklung
Greece	**Mr Dimitrios N KOUKIS**
	Governor of Hellenic CAA
Hungary	**Mr Gyula GYÖRI**
	Director General of Civil Aviation
	National Transport Authority
Iceland	**Mr Páll S. PÁLSSON**
	Director of the Flight Division and
	Deputy Director General of Civil Aviation
	The Icelandic Transport Authority
Ireland	**Ms Ethna BROGAN**
	Deputy Director General for Civil Aviation
	Aviation Regulation and International Relations Division
	Department of Transport
Italy	**Dott. Alessio QUARANTA**
	Director General
	Ente Nazionale per l'Aviazione Civile (ENAC)
Latvia	**Mr Maris GORODCOVS**
	Director General of Civil Aviation
	Civil Aviation Agency,
	Ministry of Transport
Liechtenstein	**Mr Henrik CADUFF**
	Office of Economic Affairs
	Division Civil Aviation

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Lithuania	**Mr Kestutis AURYLA**
	Director of Civil Aviation Administration
Luxembourg	**Ms Christiane WEIDENHAUPT**
	Directeur de l'Aviation Civile
	Ministère des Transports (MoT/CAA)
	Direction de l'Aviation Civile
Malta	**Mr George BORG-MARKS**
	Director General for Civil Aviation
	Transport Malta
	Civil Aviation Directorate
The Netherlands	**Mr Rob HUYSER**
	Director and Acting Director General
	Directorate of Civil aviation
	Ministry of Infrastructure and Environment
Norway	**Mr Stein Erik NODELAND**
	Director General
	Civil Aviation Authority
Poland	**Mr Piotr OŁOWSKI**
	President
	Civil Aviation Authority
Portugal	**Mr Luís Miguel PEREIRA TRINDADE SANTOS**
	Chairman of the Board
	INAC
Romania	**Mr Armand PETRESCU**
	Director General
	Romanian Civil Aeronautical Authority (RCAA)

Slovak Republic	**Mr Ján BREJA** Director Civil Aviation Authority
Slovenia	**Mr Alojz KRAPEZ** Head of Aviation Division Directorate of Civil Aviation Ministry of Infrastructure and Spatial Planning
Spain	**Ms Isabel MAESTRE** Director of AESA Agencia Estatal de Seguridad Aerea (AESA)
Sweden	**Ms Ingrid CHERFILS** Director Civil Aviation Department Swedish Transport Agency
Switzerland	**Mr Marcel ZUCKSCHWERDT** Director Aviation Policy & Strategy Division Department of the Environment, Transport, Energy and Communications
United Kingdom	**Mr Michael SMETHERS** Director European & International Strategy Civil Aviation Authority
European Commission	**Mr Joao AGUIAR MACHADO** Director-General Directorate-General for Mobility and Transport

Annex X: List of Acronyms

Acronym	Explanation
ACARE	Advisory Council for Aeronautics Research and Innovation in Europe
ACI	Airports Council International
AD	Airworthiness Directives
AEA	Association of European Airlines
AIA	Aviation Insurance Association
AMC	Acceptable Means of Compliance
ANS	Air Navigation Services
ANSP	Air Navigation Service Provider
AoA	Angle of Attack
AP	Alternative Procedure
ARO	Authority Requirements for Air Operations
ASD	The AeroSpace and Defence Industries Association of Europe
ASEAN	Association of South East Asian Nations
ASIAS	Aviation Safety Information Analysis and Sharing
ATA AC	Amélioration du transport aérien en Afrique centrale
ATCO	Air Traffic Controller
ATM	Air Traffic Management
AATIP	ASEAN Air Transport Integration Project
BASA	Bilateral Aviation Safety Agreement
BR	Basic Regulation
BPM	Business Process Management
CA	Contract Agents
CAA	Civil Aviation Authority
CAAC	Civil Aviation Administration of China
CAD	Civil Aviation Directorate
CAEP	Committee on Environmental Protection
CANSO	Civil Air Navigation Services Organisation
CAQ	Cabin Air Quality
CAST	Commercial Aviation Safety Team
CAT	Commercial Air Transport
CAW	Continuing Airworthiness
CE	Critical Element
CICTT	CAST ICAO Common Taxonomy Team
CMA	Continuous Monitoring Approach
CODAMEIN	Composite Damage Metrics and Inspection
CRI	Certification Review Items
CS	Certification Specifications
CSIE	Certification Strategy Industry EASA
CSV	Certification Support for Validation
CV	Curriculum Vitae
D	Directorate
DOA	Design Organisation Approval
DG BUDG	Directorate-General for Budget
DG HR	Directorate-General for Human Resources
EACCC	European Aviation Crisis Coordination Cell
EAD	Emergency Airworthiness Directives
EALA	European Air Law Association

EASA	European Aviation Safety Agency
EASA MS	EASA Member States
EASP	European Aviation Safety Programme
EASp	European Aviation Safety Plan
EC	European Commission
ECA	European Court of Auditors
ECAC	European Civil Aviation Conference
ECCAIRS	European Co-ordination Centre for Aviation Incident Reporting Systems
ECQB	European Central Question Bank
ECR	European Central Repository
EFOD	Electronic Filing of Differences
EGAST	European General Aviation Safety Team
EGNOS	European Geostationary Navigation Overlay Service
EHFAG	European Human Factors Advisory Group
EHEST	European Helicopter Safety Team
ELFAA	European Low Fare Airline Association
ENCASIA	European Network of Civil Aviation Safety Investigation Authorities
EP	European Parliament
ERP	Enterprise Resource Planning
ESSI	European Strategic Safety Initiative
ETSO	European Technical Standards Order
ETSOA	European Technical Standard Authorisation
EU	European Union
FAA	Federal Aviation Administration
FABS	Finance and Business Services Advisory Group
FCL	Flight Crew Licensing
FCLOA	Flight Crew Licensing Organisation Approval
F&P	Fines and Penalties
FSTD	Flight Simulation Training Devices
FTL	Flight Time Limitations
GA	General Aviation
GM	Guidance Material
HAIC	High Altitude Ice Crystals
HELMGOP	Helicopter Main Gearbox Loss of Oil Performance
IAC	Internal Audit Capability
IACA	International Air Carrier Association
IAS	Internal Audit Services
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
IFACI	Institut Français De L'audit Et Du Contrôle Internes
IHST	International Helicopter Safety Team
IIWG	Inter-institutional Working Group
IMS	Integrated Management System
IORS	Internal Occurrence Reporting System
IPA	Instrument for Pre-Accession Assistance
IPL	Implementing Procedures
IPPF	Internal Professional Practices Framework
IR	Implementing Rule
ISO	International Standards Organization
IWC	Ice Water Content

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JARUS	Joint Authorities for rulemaking of Unmanned Systems
KPI	Key Performance Indicator
LVP	Low Value Procedure
MASC	Mediterranean Aviation Safety Cell
MB	Management Board
MMEL	Master Minimum Equipment Lists
MOA	Maintenance Organisation Approval
MRB	Maintenance Review Board
MSPP	Multi-Annual Staff Policy Plan
NAA	National Aviation Authority
NCO	non-complex aircraft
NoA	Network of Analysts
NP	Negotiated Procedure
OEB	Operations Evaluations Board
OEM	Original Equipment Manufacturers
OP	Open Procedure
OPS	Air Operations
OPTICS	Observation Platform for the Technical and Inst. Consolidation of Safety Research
OSD	Operational Suitability Data
PANEP	Pan-European Partnership
PBN	Performance Based Navigation
POA	Production Organisation Approval
PRB	Performance Review Board
QE	Qualified Entities
RAG	Red Amber Green
RASG-EUR	Regional Aviation Safety Group - Europe
RMT	Rulemaking Task
RPAS	Remotely Piloted Air System
SACA	Safety Assessment of Community Aircraft
SAFA	Safety Assessment of Foreign Aircraft
SARI	South Asia Regional Initiative
SARPS	Standards and Recommended Practices
SESAR	Single European Sky ATM Research
SIASA	Support to Improvement of Aviation Safety in Africa
SIB	Safety Information Bulletins
SMS	Safety Management System
SNE	Seconded National Experts
SOFIA	EASA Safety Oversight Facilitated Integration Application
SPO	Specialised Operations
SPOA	Airbus European Single Production Organisation Approval
SSCC	Safety Standards Consultative Committee
SSps	State Safety Plans
TA	Temporary Agents
TAG	Thematic Advisory Group
TCH	Type Certificate Holders
TCO	Third Country Operators
TRACECA	Transport Corridor Europe – Caucasus - Asia
USOAP	Universal Safety Oversight Audit Programme
WA	Working Arrangement
WG	Working Group

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