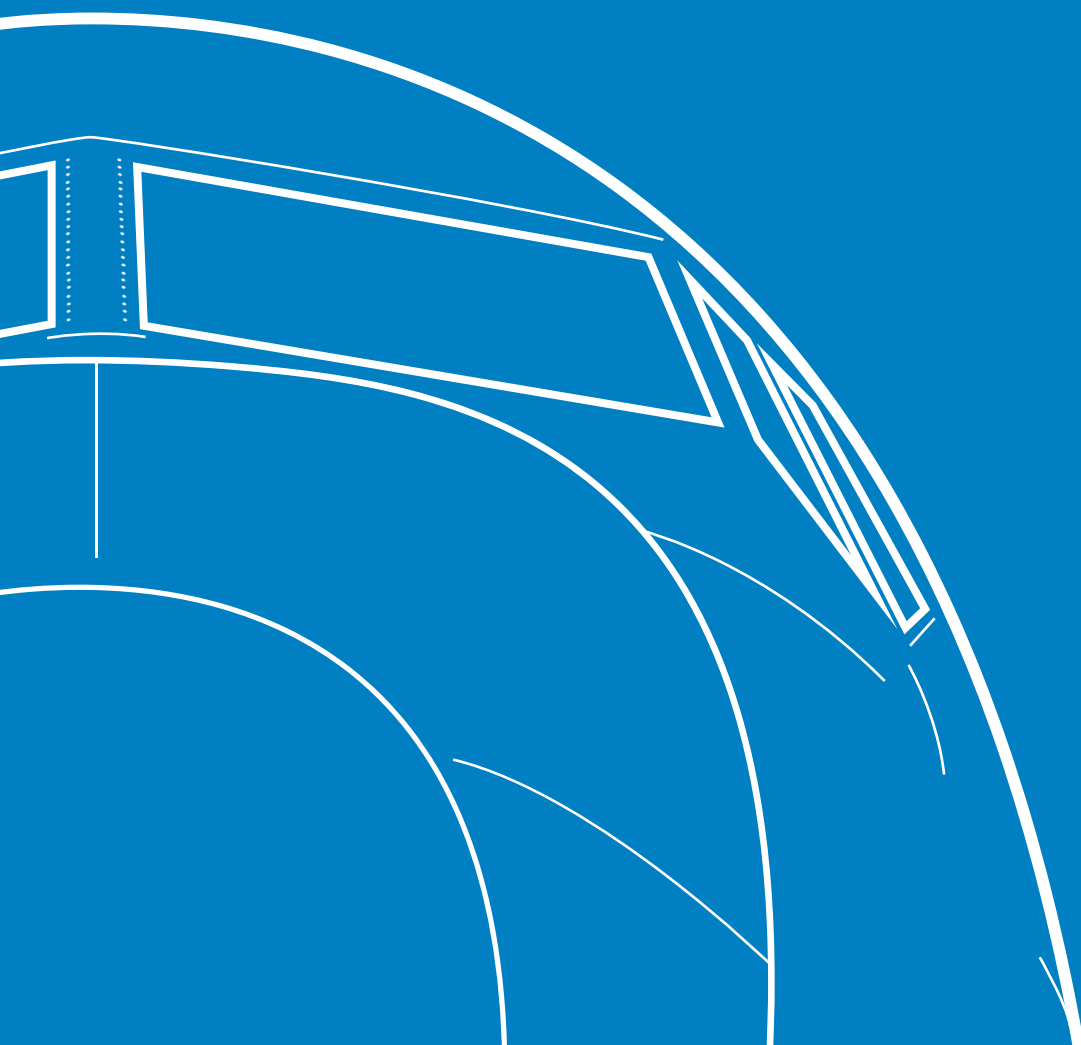




**EASA**  
European Aviation Safety Agency

Cologne, June 2017

# Annual Activity Report **2016**



An Agency of the European Union



## Management Board's analysis and assessment

MB 2017-01

### ANALYSIS AND ASSESSMENT OF THE ANNUAL ACTIVITY REPORT OF THE AUTHORISING OFFICER FOR THE YEAR 2016

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 2016 adopted by the Management Board in November 2015,

Having regard to the Annual Activity Report of the Authorising Officer of the European Aviation Safety Agency for the year 2016 as submitted to the Board in June 2017,

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 2016. It notes that the actions outlined in the Annual Work Programme 2016 were well achieved.
3. The Management Board also welcomes that the contents of the Annual Activity Report follow those of the Annual Work Programme 2016. The Agency is encouraged to continue this practice in future reporting linking closer the two documents.

Based on the report and close co-operation with the Agency I can see continuous improvement of the performance throughout the organisation. It is also notable that

- EASA has actively built up the partnership with the Member States;
- continuously improves the communication with stakeholders; and
- is capable for dynamic reaction, whenever it is needed.

Brussels, 13 June 2017

For the Management Board

**Pekka Henttu**

**Chair of the Management Board**



## Executive Summary

The tasks and actions performed by EASA and deriving from the 2016 Agency's Work Programme are summarized here. The Agency continued to strive for the implementation of a performance and risk-based environment. A particular highlight was the publication of a prototype rule for drones which provides an advanced draft for the regulation of drones differentiated by category. This prototype rule allowed an early discussion of the draft regulatory text with all stakeholders before the formal publication of the Notice of Proposed Amendment in 2017.

The other achievements include:

- **Enhance the data-driven safety plan for Europe:**  
In 2016, EASA started the deployment of the European Data Exchange Programme for Aviation that will enhance the processing and analysis of safety priorities in the EU. The first phase of the Programme now called Data4Safety was successfully launched with key partners of the Aviation Industry. Additionally, the Safety Analysis process was strengthened, linking the newly established Safety Risk Portfolios, the analysis of Safety Issues and the European Plan for Aviation Safety together and the subsequent safety actions. For the first time, safety data from the European Central Repository was included in the EASA Annual Safety Review. This was a first step to integrate the ECR as a source of safety data and develop the exchange of safety information with National Aviation Authorities and the Aviation Industry. Moreover, the Agency worked throughout 2016 to better address cybersecurity risks in aviation and prepared a Memorandum of Cooperation with the Computer emergency response team for EU institutions, which will be signed in 2017. Finally, the Agency organised in collaboration with the Romanian Civil Aviation Authority (CAA) a high level meeting on Cybersecurity in Civil Aviation in Bucharest, in November 2016. One outcome was that EASA was tasked to facilitate a strategic EU coordination platform, by including representatives of key industry stakeholders, Member States and EU institutions.
- **Reinforce EASA's role as the responsible Agency for implementation of the Air Traffic Management (ATM) regulatory framework:**  
The initial proposals for the establishment of an Air Traffic Management (ATM) / Air Navigation Service (ANS) Providers Collaborative Analysis Group was completed in 2016. This will enable EASA to take the lead on ATM / ANS Safety Risks and to integrate Safety Issues into the ATM Safety Risk Portfolio. EASA also reviewed the Single European Sky ATM Research programme Deployment Programme, provided advice to European Commission and planned for further deployment activities, as identified in the Rulemaking and Safety Promotion Programme 2017 to 2021 (e.g. Remote Tower operations, System Wide Information Management etc.). Since 2016, the EASA ATM/ANS standardisation activities include ICAO's Universal Safety Oversight Audit Programme tasks.
- **Take a prominent role regarding the co-ordination of safety research:**  
In 2016 EASA continued implementing its revised Research Strategy. Covering the urgent research needs identified by the Agency, three projects funded by the European Commission (DG MOVE) for a total budget of 5 million Euros were prepared and launched.
- **Foster the international presence of the Agency and EU products through EU regulations and programmes:**  
EASA contributed significantly to the European input for the 39th Assembly of ICAO, by drafting four working papers and providing the secretariat to the European safety coordination group. A notable achievement was the wide support to the European working paper on regionalization and subsequent adoption of Assembly resolution A39-14 on this



topic. The Agency concludes Working Arrangements with foreign civil aviation authorities and participates in the negotiation and implementation of Bilateral Aviation Safety Agreements and other aviation agreements, supporting the European Union efforts. EASA and the Civil Aviation Administration of China formally launched the EU-China Aviation Partnership Project in February, which marks a new chapter in EU-China aviation cooperation. In 2016, EASA also implemented several technical cooperation and assistance projects with the European neighbourhood countries and the Sub-Saharan Africa region among others.

- **Implement the General Aviation Roadmap:**

The General Aviation Roadmap continued to be implemented full steam. In particular, the certification specifications on standard changes and repairs was proposed, making aircraft changes and repairs easier. The NPA to make easier access of GA pilots to Instrument Flying Rules rating was published in November 2016. The Opinion for Private pilot training in Declared Training Organisations instead of Approved Training Organisations were published in autumn 2016 which gives more options for pilot training. Finally Part-M 'Light' was also published. The several GA Roadshows organized throughout 2016 serving as an exemplary collaboration with the National Aviation authorities.

- **Develop a robust approach to new areas like conflict zones:**

EASA worked closely with the European Commission (DG MOVE and DG HOME) in order to set up the Conflict Zone Alerting System. Work covered among others common EU risk assessment, Conflict Zone Network Terms of Reference, Standard wordings for Conflict Zone Information Bulletins. In 2016, the Agency issued the first Conflict Zone Information Bulletin 2016-01 on the Airspace of Kenya.

- **Concluding EASA's action plan following the Germanwings accident:**

The ambitious action plan which was set-up by EASA following the Germanwings accident in 2015 came to an end in December 2016; it included proposals in the Air Operations and Aircrew Medical domains, as well as a working paper sent to the Commission on the issue of balancing patient confidentiality and public safety.

- **Implementation of Third Country Operators regulation:**

In November 2016 the Third Country Operators regulation was fully implemented. Since that date, only operators who hold a Third Country Operators authorization from the Agency are able to operate commercial flights to and from the EASA Member States. During the 30-month transition period after the entry into force of the Third Country Operators regulation in May 2014, EASA has issued almost 600 authorizations to operators certified in 90 different third countries.

Finally, the Agency moved in June 2016 to a new building entirely designed to fulfil its needs.

EASA's mission is to ensure safe air travel for EU citizens in Europe and worldwide. 2016 demonstrated that this mission can never be taken for granted. The present Annual Activity Report details EASA's achievements in 2016.



Content

**MANAGEMENT BOARD’S ANALYSIS AND ASSESSMENT ..... 1**

**EXECUTIVE SUMMARY ..... 2**

**1. ACHIEVEMENTS OF THE YEAR ..... 7**

**1.1 Safety Management .....7**

1.1.1 Objective and scope ..... 7

1.1.2 Main achievements in 2016 ..... 7

**1.2 Safety Promotion .....14**

1.2.1 Objective and scope ..... 14

1.2.2 Main achievements in 2016 ..... 14

**1.3 Regulation.....16**

1.3.1 Objective and scope ..... 16

1.3.2 Main achievements in 2016 ..... 17

**1.4 Product Safety / Environment Oversight.....24**

1.4.1 Objective and scope ..... 24

1.4.2 Main achievements in 2016 ..... 24

**1.5 Organisation Approvals.....28**

1.5.1 Objective and scope ..... 28

1.5.2 Main achievements in 2016 ..... 28

**1.6 Inspection of Member States .....31**

1.6.1 Objective and scope ..... 31

1.6.2 Main achievements in 2016 ..... 32

**1.7 Operators.....36**

1.7.1 Objective and scope ..... 36

1.7.2 Main achievements in 2016 ..... 36

**1.8 European Central Question Bank .....37**

1.8.1 Objective and scope ..... 37

1.8.2 Main achievements in 2016 ..... 37

**1.9 International Cooperation .....37**

1.9.1 Objective and scope ..... 37

1.9.2 Main achievements in 2016 ..... 38

**1.10 Support Activities.....40**

1.10.1 Applicant Management ..... 40

1.10.2 Financial Management ..... 41

1.10.3 Information Technology ..... 42



1.1.0.4 Corporate Services .....	43
1.10.5 Communications .....	44
1.10.6 Internal Audit & Quality .....	44
1.10.7 Human Resources.....	45
1.10.8 Legal Services .....	47
1.10.9 Technical Training .....	47
<b>2. MANAGEMENT .....</b>	<b>49</b>
<b>2.1 Management Board and Major Developments .....</b>	<b>49</b>
<b>2.2 Budgetary and financial management.....</b>	<b>49</b>
<b>2.3 Human Resources management.....</b>	<b>50</b>
<b>2.4 Assessment by management.....</b>	<b>51</b>
<b>2.5 Budget implementation tasks entrusted to other services and entities .....</b>	<b>52</b>
<b>2.6 Assessment of audit results during the reporting year .....</b>	<b>52</b>
2.6.1 Internal Audit Services (IAS) .....	52
2.6.2 Internal Audit Capability (IAC).....	52
2.6.3 European Court of Auditors (ECA).....	53
<b>2.7 Follow up of audit plans, audits and recommendations .....</b>	<b>53</b>
<b>2.8 Follow up of observations from the discharge authority .....</b>	<b>53</b>
<b>3.0 ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL SYSTEMS .....</b>	<b>55</b>
<b>3.1 Risk Management .....</b>	<b>55</b>
<b>3.2 Compliance and effectiveness of Internal Control Standards .....</b>	<b>55</b>
<b>4. MANAGEMENT ASSURANCE .....</b>	<b>57</b>
<b>4.1 Review of the elements supporting assurance .....</b>	<b>57</b>
<b>4.2 Reservations .....</b>	<b>57</b>
<b>4.3 Overall conclusions on assurance.....</b>	<b>57</b>
<b>DECLARATION OF ASSURANCE FROM THE AUTHORISING OFFICER .....</b>	<b>58</b>
<b>ANNEX I: CORE BUSINESS STATISTICS.....</b>	<b>59</b>
<b>1. Key Performance Indicators (KPI) .....</b>	<b>59</b>
<b>2. Decision, Opinions and Notice of Proposed Amendments (NPAs) in 2016 .....</b>	<b>65</b>



3. Studies and research projects.....	71
<b>ANNEX II: STATISTICS ON FINANCIAL MANAGEMENT .....</b>	<b>73</b>
<b>ANNEX III: ORGANISATIONAL CHART .....</b>	<b>76</b>
<b>ANNEX IV: ESTABLISHMENT PLAN AND ADDITIONAL INFORMATION ON HUMAN RESOURCES MANAGEMENT.....</b>	<b>78</b>
<b>ANNEX V: HUMAN AND FINANCIAL RESOURCES .....</b>	<b>81</b>
<b>ANNEX VI: KEY FUNCTIONS.....</b>	<b>83</b>
<b>ANNEX VII: STAFFING .....</b>	<b>86</b>
<b>ANNEX VIII: RELATED TO PART 2 .....</b>	<b>87</b>
1. Procurement procedures launched and/or finalised in 2016 .....	87
2. Waivers of recoveries .....	91
3. Summary of MB Decisions taken in 2016.....	91
<b>ANNEX IX: RELATED TO PART 3 .....</b>	<b>93</b>
1. Agency actions to prevent and manage Conflict of Interest.....	93
2. Agency actions to prevent Fraud .....	93
<b>ANNEX X: FINAL ANNUAL ACCOUNTS (K€) .....</b>	<b>94</b>
<b>ANNEX XI: EASA MANAGEMENT BOARD MEMBERS .....</b>	<b>95</b>
<b>ANNEX XII: LIST OF ACRONYMS .....</b>	<b>100</b>



## 1. Achievements of the year

The Juncker's Commission priorities 2014-2019 as well as the EU's transport Agencies priorities, as cascaded by Commissioner Bulc were the basis for ranking EASA's activities in 2016. The achievements described in this chapter, can be linked to at least one of the below:

- Become global leaders
- One-stop shop for all domain-related matters
- Efficiency effort to be made, in particular on the simplification of processes
- Support to the industry
- Strategic alignment with the Juncker Objectives
- Innovative funding schemes

### 1.1 Safety Management

#### 1.1.1 Objective and scope

EASA strives for the highest common standard of civil aviation safety in Europe. This requires to implement a system to manage safety where the systemic risks are addressed through the following five fundamental steps: (1) safety Issues identification, (2) safety issues assessment, (3) definition and programming of actions, (4) implementation and follow-up of actions and (5) measurement of the safety performance.

This effort drives the transition towards an efficient, pro-active and evidence-based safety system. It will rely on two pillars:

- Strengthening of the safety intelligence and safety performance function
- Developing a top-down and risk-based safety programming function

#### 1.1.2 Main achievements in 2016

##### 1.1.2.1 Safety Intelligence and Performance

#### Enhance the data driven safety plan for Europe

##### European Central Repository

It is EASA's ambition to integrate the European Central Repository (ECR) as source of safety data in safety analysis tasks and develop the exchange of safety information with external stakeholders (e.g. National Aviation Authorities and industry). The first steps towards the completion of this goal was achieved in 2016 through the inclusion of ECR data analysis in the EASA Annual Safety Review. There is an activity on-going to improve the data quality in the ECR and a follow-up task for the European Commission to develop an Implementing Regulation on the management of the ECR.

##### Reinforce EASA role in coordinating safety analysis in Europe

Throughout 2016, the Agency continued to work on the improved implementation of Regulation (EU) 376/2014 on the reporting, analysis and follow-up of occurrences in civil aviation. In September 2016, the Network of Analysts (NoA) held a workshop with Member States to identify remaining challenges regarding the implementation of this regulation. In turn, this led to the development of a roadmap to





formalise the work on the remaining issues. A key part of this involves EASA monitoring ECR data quality through the NoA.

### **Continue implementing improvements to the safety analysis process**

In 2016, the evolution of the European Safety Risk Management (SRM) process led to the establishment of domain specific Collaborative Analysis Groups (CAGs) to reinforce and support the work of the NoA. Throughout the year, CAGs were established for Balloons, Commercial Air Transport (CAT) Aeroplanes and Offshore Helicopters. The main purpose is to support the identification and assessment of Safety Issues and the monitoring of safety performance.

The CAGs already proved successful in coordinating safety efforts in the Offshore Helicopter domain, involving 'HeliOffshore' (operators), manufacturers, and the Oil and Gas Producers Association (oil company customers). The CAT Aeroplanes CAG succeeded the European Commercial Aviation Safety Team and already supported the completion of the CAT Aeroplanes Safety Risk Portfolio and the identification of new Safety Issues for Approach Path Management and Unruly Passengers.

Additionally, the Safety Analysis process was strengthened, linking the Safety Risk Portfolios, the analysis of Safety Issues and the European Plan for Aviation Safety (EPAS) with its subsequent safety actions. The goal to publish more reports was completed and this effort continues. In addition, the presentation of the Annual Safety Review was improved in 2016 whilst the quality of the analysis also improved. 2016 deliverables include:

- Completion of the improvement to the Annual Safety Review, linking it fully to EPAS.
- The publication of safety analysis reports including those on key risk areas (outcomes) for "Loss of Control" and "Mid Air Collisions", as well as the first Safety Issue Assessment for "Icing on Ground in CAT Aeroplanes".

Meanwhile, the SRM process was greatly enhanced in 2016, which can be summarised in five steps (cf. figure 1 below). Now, the process foresees a clear role for the NoA and CAGs in supporting steps one, two and five. The set-up of the Collaborative Groups enabled systemic Safety Risk Management to be introduced at the level of occurrences and individual Safety Issues. The role of the Advisory Bodies<sup>1</sup> in steps three and four were also clarified, to ensure they are able to use the results of the analysis, allowing them to make more informed decisions. This new approach will also ensure a smooth integration into the Data4Safety programme, as it matures. Efforts will continue to further link the Collaborative Groups and Advisory Bodies to ensure systemic Safety Risk Management can be delivered fully at the system/ safety level.

---

<sup>1</sup> consisting of: Member State Advisory Body (MAB), Stakeholder Advisory Body (SAB), Stakeholder Technical Bodies (STeB), Member States Technical Bodies (TeB) and Sectorial Committees.





Figure 1: Five Steps of the Safety Risk Management (SRM) Process

### Deploy the first phase of the European Data Exchange Programme

The first phase (Proof of Concept) of the European Data Exchange Programme for Aviation, called “Data4Safety programme” was successfully launched. EASA engaged a number of key safety partners including 5 major operators, 2 major aircraft manufacturers, the European Cockpit Association and 4 National Aviation Authorities (France, United Kingdom, Ireland and Spain). The kick-off meeting was held in June 2016, followed by the Steering Board’s (composed of executive and senior management) first meeting in October. The engaged partners based their collaborative work on the results of 2015’s feasibility study.

In 2016 work focussed on the Programme Charter, the Rules and Procedures of the programme, the Use Cases (deliverables) that will be deployed, the technical specifications of the Big Data platform, the collaboration with selected European universities and research partners, the technical as well as contractual arrangements necessary, to extract the relevant data to load them onto the Big Data platform.

### Deploy safety data tools

The Agency worked also on helping operators to enhance their own data analysis capability, in particular in the field of Flight Data Monitoring (FDM). FDM is recognised as a powerful source of data for managing operational safety. In this domain, the Agency is taking part in voluntary partnerships with European operators and EU Member States. In 2016, European operators saw their activity recognised by the European Plan for Aviation Safety, as two new safety actions were allocated to this group. In addition, under the aegis of European operators a conference dedicated to FDM (130 participants) was successfully organised. Meanwhile, two good practice documents were published by these groups:

- Guidance for national aviation authorities on setting up a national FDM forum (2<sup>nd</sup> edition)
- Developing standardised FDM-based indicators (2<sup>nd</sup> edition)

Further to that, the Agency promoted FDM across helicopter offshore operators, starting with an online survey of the industry and coordinating with the Civil Aviation Authority of the United Kingdom and ‘HeliOffshore’, which both have related projects.

Finally, under the Agency leadership, the flight data analysis subgroup of ICAO’s flight operations panel delivered the second edition of ICAO Doc 10 000: “Manual on Flight Data Analysis Programmes”.



### **Continue supporting the implementation of Regulation 376/2014**

Regarding the implementation of Occurrence Reporting Regulation (EU) 376/2014, progress was monitored closely throughout 2016. Subsequent to a workshop with the Network of Analysts and EASA Member States in September, a roadmap was agreed to support improvements, as identified by the Member States.

In 2016 the Agency continued to lead the development of the European Risk Classification Scheme. Following completion of the Matrix and the basic process in 2015, the revision of the assessment methodology was completed in 2016.

### **Implementation of the Air Traffic Management regulatory framework**

The initial proposals for the establishment of an Air Traffic Management (ATM) / Air Navigation Service Providers (ANSP) CAG was completed in 2016. This will enable EASA to take the lead on ATM / ANS Safety Risks and to integrate Safety Issues within the ATM Safety Risk Portfolio, so that all the various organisations can collaborate and coordinate under the framework of EPAS. The ATM Safety Risk Portfolio will also allow a flexible approach to ATM Safety Performance Monitoring and will have a clear link to RP3<sup>2</sup> of the ATM Performance Scheme.

#### **Support the EC in the technical monitoring of SESAR deployment**

EASA reviewed the Single European Sky ATM Research (SESAR) Deployment Programme, provided advice to European Commission and planned for further deployment activities, as identified in the Rulemaking and Safety Promotion Programme 2017 to 2021 (e.g. Remote Tower operations, System Wide Information Management etc.).

### **Continue implementing the Research Strategy**

In 2016 EASA continued implementing its revised Research Strategy. Covering the urgent research needs identified by the Agency, three projects funded by the European Commission (DG MOVE) for a total budget of 5 million Euros were prepared and launched:

- Cabin Air Quality
- Effectiveness of Flight Time Limitations
- Safe transport of lithium battery by air

More details on these projects are presented in Annex I section 3. This funding represents approximately 50% of the initial request.

Additionally, EASA pursued the development of its research strategy as follows:

- **External governance for research coordination – cohesive research planning and monitoring**  
 Actions to identify the Agency's research needs and priorities were developed, involving the EASA Research Committee and the Advisory Council for Aviation Research and Innovation in Europe Working Group on Safety and Security. Such needs and priorities were shared with DG Research and Innovation for the preparation of the 'Horizon 2020' work programme (2018-2020) and with the 'Clean Sky' programme.  
 The signature of a Memorandum of Cooperation with 'Clean Sky' in November 2016 formalised the role of the Agency to advise on the preparation and execution of large EU funded research and technological innovation actions.

<sup>2</sup> Reference Period 3 (RP3) related to measuring of Safety Indicators within Regulation (EU) 691/2010 laying down a performance scheme for air navigation services and network functions.



- **Support to innovation – reducing time to market**  
 The Agency took an active role in the EU transport R&D programme (Horizon 2020) call for proposals addressing ‘aviation future safety challenges’. A total of 14 proposals were assessed for their alignment against the main EPAS safety issues and their contributions to the development of new safety standards. For the three awarded projects, the involvement of the Agency experts’ were formalised through specific contractual arrangements.  
 Following the same approach, the Agency was contacted in the context of further calls for proposals as part of the Horizon 2020 programme and to support the German Aviation R&D programme.
  
- **Enhancement of global safety and environmental protection standards**  
 The Agency launched an internal action entitled ‘applied research for effective certification’. Its main objective is to develop key new standards relevant for the Agency activities, the Aviation Stakeholders and to the innovation ‘ecosystem’ of the EU air transport sector. Its objective is to facilitate the entry into service of new products and strengthen the EU leadership in aviation safety standards. The scope of the programme covers the airworthiness and environmental certification standards for large aircraft and rotorcraft as well as cross-domain issues such as Safety Management System (SMS), automation, human factors, aviation personnel competency development and training. An overall funding of 10 million Euros over 4 years is reserved for this action.

The list of research projects and studies of the Agency is presented in Annex I (section 3).

### **Implementation of the General Aviation Roadmap**

The SRM Process also helped to strengthen the analysis of General Aviation (GA) Safety Risks to support the GA Roadmap and the integration of actions within EPAS. The Balloons CAG was already established in this domain. Moreover, following a successful GA Safety Workshop in October 2016 the GA Aeroplanes CAG will be formally launched in 2017, linking it closely to the GA Sectorial Committee.

### **Other activities/Achievements**

#### **Accident Follow up and Safety Recommendations**

In 2016, the Agency further strengthened its link with the Safety Investigation Authorities through direct participation to a significant number of relevant investigations. A new safety records system allowed to take benefit of the introduction of the new concept of Safety Recommendations of Union Relevance in cooperation with the European Network of Safety Investigation Authorities and achieve a more effective identification of those Safety Risks that would directly feed the Safety Risk Portfolios activities and the identification of Safety Issues.

The quarterly bulletin to inform National Aviation Authorities on recommendations and actions taken proved to be an effective tool to disseminate the information and it was extended in 2016 to the Safety Investigation Authorities.

Regarding the daily work of monitoring and following-up on safety recommendations addressed to the Agency, a separate report is being published – the Annual Safety Recommendations Review Report. In 2016, 88 new safety recommendations were received by the Agency, and a total of 80 closing replies were issued on open safety recommendations.

#### **Occurrence Reporting**

In 2016 the Agency continued to improve the quality of its occurrence reporting process, in particular through harmonising the internal occurrence closure. It specifies when occurrences can be closed by



technical experts and what information needs to be provided. This will ensure that data is traceable and meaningful for other processes like safety risk management or safety analysis.

### Confidential Safety Reporting

Throughout 2016 EASA reviewed and re-approved its Confidential Safety Reporting procedure, which enables individuals from outside the Agency to voluntarily report alleged malpractices and irregularities in the field of aviation safety, without having to fear that their action may have adverse consequences on their person. The revised procedure stipulates that all of the Confidential Safety Reports are de-identified and stored in the European Co-ordination Centre for Accident and Incident Reporting Systems (ECCAIRS) database and their closure is validated by the Confidential Safety Reporting Review Group. In 2016, the Agency received 86 Confidential Safety Reports.

### Cybersecurity

Throughout 2016 the Agency continued working on the development of the following areas to better address cybersecurity risks in aviation:

- European Centre for Cyber Security in Aviation: a pilot phase of operations was prepared, starting with the establishment of a Memorandum of Cooperation between EASA and the Computer emergency response team for EU institutions, bodies and agencies<sup>3</sup> (CERT-EU).
- Rulemaking and Standards: a review of safety rules was initiated with the view of developing a regulatory concept that will enable to identify cyber risks having an impact on safety.
- Research and Innovation: a research project was launched to study the potential safety risks of specific cyber-attack scenarios.
- Collaboration and Communication: many bilateral and multilateral communication and coordination activities took place with key European and International actors.

The Agency organised in collaboration with the Romanian Civil Aviation Authority (CAA) a high level meeting on Cybersecurity in Civil Aviation in Bucharest, in November 2016. One outcome was that EASA was tasked to facilitate a strategic EU coordination platform, by including representatives of key industry stakeholders, Member States and EU institutions.

### Alerting System for Risks to civil aviation arising from Conflict Zone

EASA continued in 2016 to work with the European Commission (DG MOVE and DG HOME) in order to set up the Conflict Zone Alerting System, in line with the recommendations of the EU High Level Task Force. Work covered among others common EU risk assessment, Conflict Zone Network Terms of Reference, Standard wordings for Conflict Zone Information Bulletins. These will deliver common EU risk assessments and related EASA Conflict Zone Information Bulletins. In 2016, the Agency issued the first Conflict Zone Information Bulletin 2016-01 on the Airspace of Kenya. Complementing, EASA's procedure was documented and resources dedicated to this activity.

#### 1.1.2.2 Risk-based Safety Programming: The European Plan for Aviation Safety (EPAS)

EASA developed concise strategic priorities for the safety programmes ([EPAS](#) and the [rulemaking and safety promotion programme](#)) based on the Commission's Aviation Strategy and EASA's strategic plan. The safety priorities were based on the newly developed European Safety Risk Portfolios in the Annual Safety Review 2016. The initial draft, in line with the priorities set out in the Single Programming Document, was consulted with stakeholders in April 2016. The feedback regarding this approach was very positive. Based on stakeholder feedback, the strategic priorities were adjusted. The strategic

---

<sup>3</sup> The CERT-EU is composed of IT security experts from the main EU Institutions. It cooperates with other CERTs in the Members States and with specialised IT security companies in order to respond to information security incidents and cyber threats.



priorities defined the detailed planning and resource allocation in the safety programme. The strategic safety priorities are depicted below.



Figure 2: Summary of strategic safety priorities

The safety programmes are well balanced between safety and efficiency actions in line with the EASA strategic objectives: approximately 40% of the tasks are addressing safety issues and another 40% are attributed to efficiency issues. Performance-based Regulation has become a priority with concrete actions attached. The GA roadmap continues to be a priority with specific set of actions.

**Increasing efficiency**

In 2015, the rulemaking process was overhauled in order to make it more efficient. For this programme and for the first time, efficiency is made measurable as compared to the baseline year of 2015. The indicators show a:

- Reduction in the average time<sup>4</sup> for rulemaking from 3.6 years in 2015 to 3.1 years projected for 2017; for new tasks, this period is further reduced to 2.2 years<sup>5</sup>;
- Decrease of the input required for core rulemaking in terms of resource allocation by 2021.

**Shift towards safety promotion activities**

Safety promotion was fully revamped in 2015. The activities of the ESSI teams were reattributed to the new advisory structure and the collaborative analysis groups (CAGs). Safety promotion activities are now managed through safety promotion tasks that are not limited to creating a product (e.g. leaflet), but also include dissemination and measurement activities coordinated with Member States through the Safety Promotion Network. The concept of a European Safety Promotion campaign is tested along those lines by the Safety Promotion Network.

**Introducing a ‘cool-down period’**

Several Member States as well as some part of industry have repeatedly indicated that there is a need for a ‘cool-down period’ in rulemaking in order for the system to absorb and consolidate the regulatory requirements. To address this, the programme introduces a cool-down period for the output (measured in the number of ToRs, opinions and related NPAs).

**Increasing evidence base for safety programming**

Safety issue analysis and impact assessments are to drive the decision-making for the programmes. New tasks added to the programme in the fields of helicopters, GA and loss-of-control are supported

<sup>4</sup> Measured from first day EASA starts working on the project until opinion/decision, incl. work needed to develop the ToR.

<sup>5</sup> Might be negatively affected by the ‘cooling down’ objective.



by assessments. The results of the assessments are reflected in the justifications inside the main document as well as in the Preliminary Impact Assessment score. SESAR deployment was assessed and actions reported in a specific chapter.

### **Management Board adopted EPAS and the Safety Promotion Programme**

The level of EPAS implementation was surveyed as part of a cross-domain exercise and reported to Member States at the Safety Management Technical Body meeting in November.

### **Research actions are reported based on the safety priorities.**

The programme includes research action by priority area.

### **New advisory body structure in place**

The new Advisory Bodies structure was largely implemented in 2016. The Member States Advisory Body (MAB) is fully operational and the Stakeholders Advisory Body (SAB) completed the nomination process. Kick-off meetings will be held in 2017. The advisory bodies will play a key role in the safety risk management cycle and the development of the safety programmes.

The Safety Management achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives.

## **1.2 Safety Promotion**

### **1.2.1 Objective and scope**

Safety Promotion is a strategic priority for the Agency, the national aviation authorities and the industry, a key part of the European Aviation Safety Programme, and one of the four State Safety Programmes (SSP) / SMS components as defined in ICAO Annex 19. It complements Rulemaking, Oversight and Standardisation as well as Research.

Safety promotion raises risk awareness and provides means to address safety risks, and hence contribute to the avoidance of accidents. Safety promotion can also reinforce 'what goes well' in the system and increase system resilience.

Safety promotion products include safety reviews and reports, bulletins, leaflets and posters, audio-visual material, toolkits, manuals and guides, social media as well as applications. Safety promotion also comprises workshops and safety events. It includes sharing best practices from the authorities and the industry.

Safety promotion activities were until now mainly performed by the European Strategic Safety Initiative (ESSI). ESSI closed in 2016 (see below) and EASA further developed its own brand of safety promotion material introduced in 2015.

### **1.2.2 Main achievements in 2016**

Reporting on the priorities defined in the EASA Work Programme 2016, the Safety Promotion programme was adopted as part of EPAS and combined the rulemaking and Safety Promotion



programme. The visibility of the EASA Safety Promotion material was enhanced by creating the EASA Safety Promotion website. The EASA Virtual Academy network was consolidated and expanded to reach beyond the borders of the EU. The General Aviation part of the Safety Promotion programme was implemented and the resulting material was published on the EASA Safety Promotion website as well as on the EASA GA Flying Safely websites.

### **1.2.2.1 The European Strategic Safety Initiative**

After 10 years of operation, ESSI activities transitioned to a new system in 2016: the European Commercial Aviation Safety Team closed on 22 March, the European General Aviation Safety Team (EGAST) on 20 April and the European Helicopter Safety Team (EHST) on 11 October. Their activities were successfully transferred as follows:

European Commercial Aviation Safety Team analysis activities were transferred to the Collaborative Analysis Group (CAG) Commercial Air Transport Fixed Wing and its other functions transferred to the Member States Advisory Body (MAB), Stakeholders Advisory Bodies (SAB) and their relevant bodies, as well as the Safety Promotion Network (SPN).

EGAST had its final meeting at AERO<sup>6</sup> in April 2016. EGAST used to be one of the main developers of safety promotion material for the GA Roadmap. EGAST activities were reallocated to the CAG GA, the GA Sectorial Committee, the Technical Body GA, the SAB and the MAB for strategic aspects, and the SPN.

EHST activities were successfully transferred to other teams in the European safety risk management system, in particular the Rotorcraft Sectorial Committee (RSC), the CAG Offshore, the SAB, the MAB regarding strategy and the SPN.

In order to keep the previous EHST community connected and to keep the competencies of its implementation team EHSIT and its three Specialist Teams (STs) on: (1) Training, (2) OPS & SMS, and (3) Technology, a European Safety Promotion Network-Rotorcraft (ESPN-R) was created in support to the RSC in the Safety Promotion area. The ESPN-R manages the European Helicopter Safety Forum on LinkedIn, with more than 1200 participants.

As last achievements, EHST organised a Safety Workshop at 'HELITECH Intl.' and published a video on decision making, created new leaflets and created new toolkits on safety management. These will help the rotorcraft community, especially the small operators and the training schools. The EHST Helicopter Instructor Guide was revised and Edition 2 will be published in 2017.

### **1.2.2.2 EASA safety promotion material**

EASA resources for Safety Promotion developed over the year and the operational Departments started to address safety promotion as part of their regular activities. In EPAS 2017-2021 (developed in 2016), the share of safety promotion tasks increased sharply to 38% of all tasks.

EASA reinforced its own brand of Safety Promotion material and continued to develop the EASA Safety Promotion website. The website now contains sections on Aerodromes, Commercial Air Transport Fixed Wing, Civil Drones, General Aviation and Helicopter. The latest material include dangerous

<sup>6</sup> Taking place at Friedrichshafen in Germany, AERO is the premier exhibition and global show for GA in Europe.





goods, Flight Data Monitoring (FDM), General Aviation (GA) leaflets and an Operation Manual template for operators of non-complex aircraft.

GA has its own safety promotion entry on the EASA website, called Flying Safely, which was further developed in 2016.

The Agency also continued to support the Safety Management International Cooperation Group, founded by the United States Federal Aviation Administration ([FAA](#)), [EASA](#) and Transport Canada Civil Aviation for the purpose of promoting a common understanding of [safety management](#), [SMS](#) and [SSP](#) principles and requirements, facilitating their implementation across the international aviation community. New deliverables include outlining a training programme for inspector to gain SMS competency, a revised Safety Management Terminology document and translations.

Rulemaking sections of the Flight Standards directorate contributed to the safety promotion activities, as e.g. the Aerodromes Section prepared and promoted the leaflet regarding the installation of runway centre line lights on runways with category I operations. The objectives of this safety promotion campaign is to promote awareness, knowledge and action among the aerodrome operators.

### ***1.2.2.3 Creation of the Safety Promotion Network (SPN) with Member States***

The SPN is a voluntary partnership between EASA and the national aviation authorities. The SPN enhances aviation safety in Europe by providing a framework for the collaboration on safety promotion activities throughout the EASA member states. The SPN counts to date 19 member states.

The SPN was established and had its first two meetings in 2016. Its primary role is the dissemination and evaluation of safety promotion material. The SPN can also contribute to the development of material and launch European Safety Promotion campaigns.

EASA and the industry also suggested to create a specific safety promotion network for rotorcraft: the European Safety Promotion Network Rotorcraft (ESPN-R). ESPN-R will combine under one roof the former EHEST community as well as its implementation team. As per EHEST legacy, ESPN-R is a mixed team, consisting of participants from industry and competent authorities. The network will cooperate with the US-based International Helicopter Safety Team.

The Safety Promotion achievements' contributed to priorities: One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives, Innovative funding schemes.

## **1.3 Regulation**

### **1.3.1 Objective and scope**

EASA's safety priorities were based on the newly developed Risk Assessment and European Safety Risk Portfolios in the [Annual Safety Review 2016](#). Stakeholders' feedback provided ensured efficiency and a level playing field in setting the priorities.



### 1.3.2 Main achievements in 2016

The project on the implementation of the revised rulemaking process was completed end of 2016 to provide better, simpler and timely rulemaking. The key documentation was revised and is in use. A series of training modules on the rulemaking process were developed and implementation started. This revision simplified the process and provided more flexibility, clarification and transparency of the rulemaking and safety promotion processes.

The final Rulemaking Programme / EPAS made significant progress towards the new guiding principles:

- well balanced safety and efficiency actions in line with the EASA strategic objectives;
- the programme indicates increased efficiency of the rulemaking process;
- shift towards more safety promotion activities.

For identified actions, EASA performed a thorough Preliminary Impact Assessment (PIA) development

EASA benefits from the improved regulations development process (working principles and methods), enabling the Agency to produce regulatory texts of even higher quality. A lot of effort was put into place to develop rules which are, as much as possible, performance-based, proportionate, and contributing to the competitiveness of the industry. Finally, EASA lead the initial set-up of continuous monitoring activities and post-implementation evaluations, targeting the rules that were under preparation.

#### Initial Airworthiness

Two major achievements in 2016 were the publication of the opinion about “Embodiment of level of involvement requirements into Part-21” as well as the development of a prototype rule on Remotely Piloted Aircraft Systems.

#### Flight Standards

Different domains contributed to the Rulemaking and Safety Promotion Programme development, considering the identified strategic priorities. The programme considered the use of the most appropriate action, which was either safety promotion, focused oversight, research, rulemaking or a combination thereof.

Related planning activities were done on the basis of a thorough analysis. Especially activities programmed for 2017 were carefully evaluated with regard to the expected engagement of resources; the expected time needed for the Rulemaking Tasks (RMT) and their phases’ development was carefully assessed; this should be a good basis for the monitoring of actually used resources in due course of 2017.

#### eRules

The aim of the EASA eRules project is to make them accessible in an efficient and reliable way to stakeholders. EASA eRules will be a comprehensive, single system for the drafting, sharing and storing of rules. It will be the single source for all aviation safety rules applicable to European airspace users. It will offer easy (online) access to all rules and regulations as well as new and innovative applications such as rulemaking process automation, stakeholder consultation, cross-referencing, and comparison with ICAO and third countries’ standards.

To achieve these ambitious objectives, the EASA eRules project was broken down in 10 modules. The first module, ‘Continuing Airworthiness’, was completed in 2016. The first deliverable, ‘Easy Access Rules for Continuing Airworthiness (Regulation (EU) No 1321/2014)’ is published in PDF format.



The EASA eRules system is being developed and implemented in close cooperation with Member States and the Aviation Industry to ensure that all its capabilities are relevant and effective.

### **1.3.2.1 Production of new rules**

#### **Initial Airworthiness**

In 2016, Part 21 was amended once (by Commission regulation (EU) No 2016/5). The Agency issued 5 Opinions to the Commission (1 Opinion proposing amendments to Part-21, 4 Opinions proposing amendments to Part-26) and issued 9 Decisions amending Acceptable Means of Compliance / Guidance Material (AMC/GM) or Certification Specifications (CS), or terminating a rulemaking activity without introducing a rule change. On other rulemaking tasks the Agency issued six proposals (5 Notice of Proposed Amendments (NPAs) and 1 “prototype rule”), and 13 Terms of Reference (ToRs).

An important milestone for the implementation of a risk based approach in certification was the issue of Opinion 7/2016: Embodiment of Level of Involvement into Part-21. This change in Part-21 will enable the Agency to apply a safety management system, partly transposing standards from ICAO Annex 19. It will provide objective criteria and a transparent process for the determination of the Agency’s involvement in certification projects. Consequently, it will allow the Agency to better control its certification projects, and to focus its resources on those parts of the projects where there is the highest risk for safety or for the environment. At the same time, the rule change will increase clarity and certainty to the applicant.

The Agency proposed changes to Annex I to Regulation (EU) No 2015/640 (Part-26) related to seat crashworthiness (opinion 2/2016), thermal acoustic insulation material (opinion 4/2016), removal of halon from lavatory waste receptacles and handheld fire extinguishers (opinion 8/2016) and addressing the safety risk related to ageing phenomena in the structure of large aeroplanes (opinion 12/2016).

To simplify the installation of modifications listed in the CS, for GA aircraft, EASA consulted the second version of CS-STAN<sup>7</sup> in NPA 2016-2017.

A particular highlight was the publication of a UAS Prototype rule, which provides an advanced draft for the regulation of drones in the open and specific category. This prototype rule allowed an early discussion of the draft regulatory text with all stakeholders before the formal publication of the NPA.

#### **Flight Standards**

##### Continuing Airworthiness

All Member States voted in favour of the new B2L and L Part-66 licences for General Aviation, at the EASA Committee held in February 2016 and the Opinion was issued in April 2016 (Opinion 05/2016). The opinion includes a Part-M Light (Part-ML) and a simplified, combined organisations approval with privileges for maintenance and continuing airworthiness managements but without SMS requirements (Part-CAO). This is expected to be adopted by the Commission in 2018.

Opinion 06/2016 on embodiment of safety management system (SMS) requirements into Commission Regulation (EU) No 1321/2014 (SMS in Part-M) proposes the introduction of safety management in continuing airworthiness management through the creation of a new Annex V ‘Part-CAMO’ dedicated

---

<sup>7</sup> Certification Specification – Standard Changes and Repairs



to Continuing Airworthiness Management Organisations (CAMOs), which are managing aircraft operated by licensed air carriers and/or Complex Motor-Powered Aircraft (CMPA).

### Air Operations

In 2016, in the domain of Air Operations (OPS), after completing all Annexes of the OPS Regulation the Agency continued to focus on rule modernisation in order to accommodate the latest technological developments, addressing emerging safety issues and simplifying as well as streamlining the regulatory landscape for General Aviation users. The Opinion for dedicated Implementing Rules on Air Operations with Balloons was finalised, and a rulemaking task for Air Operations with sailplanes was launched.

Commission Regulation (EU) 2016/1199 amending Regulation (EU) No 965/2012 addressed helicopter offshore operations ('HOFO') which pose certain specific safety risks introducing common safety measures taking into account the experience at national level as well as the developments in the sector of helicopter offshore operations.

Commission Regulation (EU) 2016/1199, referring to operational approval of performance-based navigation, is an enabler for performance-based navigation operations (e.g. cases requiring specific approval are significantly reduced).

NPA 2016-06 Fuel planning and management provided a comprehensive and updated set of safety requirements for developing and overseeing operators' fuel schemes, by addressing the identified gaps with regard to the in-flight fuel management policy enabling European operators to take advantage of the latest technologies and the effectiveness of their management system when developing and managing their fuel schemes and increase operational efficiency thereby having cost and environmental benefits in alignment with Amendment 36 and 38 to ICAO Annex 6, Part I.

### Air Crew & Medical

On aircrew medical fitness, Opinion 14/2016 addressed the safety issues identified by the EASA-led Germanwings Task Force (e.g. carrying out a psychological assessment of the flight crew before commencing line flying) providing update to pilot medical certification. A proposal for the European Aviation medical repository (EAMR) was also introduced by the Commission and work on the respective EAMR IT tool commenced.

Commission Regulation (EU) 2016/539, regarding pilot training, testing and periodic checking, introduced relevant issues for the instrument rating related to Performance Based Navigation. Subsequently related AMC/GM was published in an ED Decision.

The Agency continued the work related to the licensing requirements for Remotely Piloted Aircraft Systems in cooperation with ICAO/Joint Authorities for Rulemaking on Unmanned Systems (JARUS); as a result AMC/GM to the JARUS-FCL Recommendation was published; furthermore, the prototype Commission Regulation was published including pilot competencies for the open and specific category.

From the General Aviation point of view, the Opinion on training outside an Approved Training Organisation (ATO) proposed change in paradigm with more proportionate requirements, including



more emphasis on performance and evidence based oversight, rather than rigid initial certification and the NPA on an easier access for GA pilots to flying under Instrument Flight Rules (IFR) introduced full competency based requirements i.e. no minimum hourly requirements.

ED Decision on Learning Objectives (LOs) should ensure a legal basis for the ECQB and bridge the gap until the new restructured and revised LO objectives are published. NPA on Technical update of theoretical knowledge syllabi, learning objectives for Air Transport Licence, Multi-Crew Pilot Licence, Commercial Pilot Licence and Instrument Rating restructured and updated the current Learning Objectives.

#### Air Traffic Management & Air Navigation Services

With the aim to ensure consistency with the latest international safety standards, Opinion 02/2016 Technical requirements and operating procedures for the provision of data to airspace users for the purpose of air navigation addressed safety, economic and regulatory coordination issues related to the provision of data to airspace users for the purpose of safety-critical air navigation with the intention that this regulatory system will support the implementation of Performance-Based Navigation (PBN).

Opinion 10/2016, Performance-based navigation implementation in the European air traffic management network proposed that Air Navigation Service Providers (ANSPs) and aerodrome operators implement PBN approach procedures with vertical guidance, PBN standard instrument departure /standard instrument arrival and air traffic service routes as required to meet locally defined performance objectives that conform to the RNAV 1 specification or the RNP1 specification including the use of additional functionalities, PBN requirements for the transition between the en-route network and the standard instrument departures / standard instrument arrivals to be consistent with the standard instrument departures/ standard instrument arrivals served; and PBN requirements in support of rotorcraft operations in conformity with the RNP 0.3 specification.

NPA 2016-13 Technical requirements and operating procedures for airspace design, including flight procedure design presented a key role played by ASD in the safety of air operations and is also a key enabler for the implementation of new navigation concepts such as performance-based navigation (PBN).

NPA 2016-09(A) Requirements for air traffic services addressed safety and regulatory coordination issues related to the provision of air traffic services and proposed a number of measures related to the aerodrome flight information service (AFIS).

#### Aerodromes

The Aerodromes Section continued the work initiated in the previous years related to the regular update of Certification Specifications (CS) and Acceptable Means of Compliance (AMC) under RMT.0591, Regular update of aerodrome rules. As a result the following documents were published: ToR.0591- Issue 2, to create a general framework in order to perform regular updates of the IR and/or AMC/GM and/or CS/GM, for mature, non-complex and non-controversial subjects, NPA 2016-10 (26/09/2016) of AMC/GM Amendment 2, proposing amendments to the AMC/GM based on ICAO Amendment 13 to address safety issues related to the prevention of runway incursions, runway surface evenness, NPA 2016-04 (14/06/2016) of CS Issue 3, proposing amendments to the CS/GM for



aerodromes design based on ICAO Amendment 11-A and B to Annex 14, Volume I as well as some recommendation received from stakeholders, ED Decision 2016/027/R (14/12/2016) of CS Issue 3, Opinion 03/2016 on the implementation of the new approach classification, as introduced by Amendment 11-B to ICAO Annex 14.

### Policy and planning

Alignment of implementing rules and acceptable means of compliance/guidance material with Regulation (EU) No 376/2014 - Occurrence reporting ([NPA 2016-19](#)) had the objective to update the implementing rules (IRs) of Regulation (EU) No 216/2008 and the related acceptable means of compliance (AMC)/guidance material (GM) in order to be aligned with Regulation (EU) No 376/2014 as regards the reporting, analysis and follow-up of occurrences in civil aviation; these obligations currently exist in parallel with the reporting obligations of Regulation (EU) No 216/2008 and its IRs; while all the aforementioned Regulations are overall deemed to be consistent with one another, in practice, there is potential for overlaps and ambiguities that need to be addressed. The proposed changes are expected to: increase legal certainty by clarifying the occurrence-reporting requirements within the scope of Regulation (EU) No 216/2008, prepare the ground for standardization inspections to monitor the implementation of Regulation (EU) No 376/2014 and support the implementation of effective occurrence-reporting systems by all stakeholders concerned.

#### **1.3.2.2 Support to rules**

##### **Initial Airworthiness**

The activities performed in the domain of initial airworthiness during 2016 were as follows:

- Assist the Member States and the Industry during the implementation of new rules;
- Review of 53 Article.14 exemptions and derogation requests as well as review of alternative means of compliance, and preparation of the related recommendations to the European Commission;
- Assist the European Commission (DG-Clima) and the Industry on their discussion about interpretation and potential consequences of EU Regulation 744/2010 (Halon replacement);
- Complete review and agreement with FAA regarding 2 FAA Significant Standards Differences (SSD) lists on different amendments of CS-25 and FAR 25. Another FAA SSD list is currently under EASA review.

Preparation and review with FAA of one EASA SSD list on a pair of CS-25 and FAR 25. Discussion with FAA is still ongoing.

##### **Flight Standards**

As support to the rules, different domains of the Flight Standards contributed:

- In the domain of Aircrew, the Agency held focussed consultations in the context of the rulemaking tasks on Part-DTO<sup>8</sup>, Update to Part-FCL<sup>9</sup>, Making the MPL<sup>10</sup> landings training more competency based in order to refine the respective draft Opinion proposals. Moreover, a workshop was organised to explain the NPA on the learning objective;

<sup>8</sup> Declared Training Organisation

<sup>9</sup> Flight Crew Licensing

<sup>10</sup> Multi-crew Pilot Licence



- In the domain of Air Operations, the Agency provided support to Member States in the deployment of the Part-NCC and Part-NCO requirements through workshops, meetings and dedicated guidance. Furthermore, significant resources continued to be devoted to facilitate the implementation of the Air Operations regulation by engaging with Member States and industry stakeholders, organising thematic workshops and participating in national or regional conferences / industry events;
- In the domain of aerodromes, the implementation of Regulation (EU) 139/2014 remained a crucial topic in 2016; to support this, EASA organised and coordinated meetings with Members States; EASA also increased its presence at external events such as regional workshops/conferences organised by the Member States or the industry; EASA continued its initiative on Large Aircraft accommodation at existing aerodromes;
- From the cross domain point of view, a relevant effort with regard to the previous years remained the review of flexibility provisions (exemptions, derogations, individual flight time specifications schemes) and Alternative Means of Compliance proposed by Member States.

### **1.3.2.3 Coordination with ICAO and rule harmonisation with third countries**

#### **Initial Airworthiness**

In support of the bilateral agreement between the EU and the US, the reciprocal acceptance of Technical Standard Order Authorisation (TSOA) / European Technical Standard Order Authorisation (ETSOA) is in force since March 2016. EASA and FAA furthermore developed a Validation Improvement Roadmap, which was signed on 29 February 2016.

Moreover, the Bilateral Agreement between the EU and Canada, an amendment to the Technical Implementation Procedure (TIP) was signed in December 2016 now reflecting Operational Suitability Data.

The Certification Management Team (EASA, FAA, TCCA and ANAC) developed a collaboration Strategy in order to use active confidence building initiatives and risk based validation principles.

#### **Flight Standards**

EASA is cooperating with ICAO at the level of operating working groups (e.g. All Weather Operations SG) as well as different panels (e.g. OPS Panel). At the operational level EASA met with ICAO (dir. OPS Miguel Marin) to exchange important views. ICAO experts were invited to contribute to the EASA operational workshops (e.g. All Weather Operations Workshop). EASA co-operated with ICAO in the domain of aerodromes as well.

EASA regularly cooperates with the FAA to ensure as much as possible the objective of harmonisation of the rules. There are number of on-going pilot projects.

The Agency managed to informally engage ICAO on the subject of automatic recognition of pilot licences in the context of regional safety oversight organisations. This resulted in the introduction of new proposed ICAO Annex 1 standards that would recognise the European Aviation System. In February 2017 these new standards were adopted, and in parallel EASA developed a proposal to reflect the ICAO standards within the Aircrew Regulation.

With regard to ICAO the Aerodromes Section played an active coordination role in the following: Aerodromes Design and Operations Panel; Aerodrome Reference Code Task Force; PANS Aerodromes; OLS WG, and participated in ICAO Universal Safety Oversight Audit Programme audit.

#### **Safety Management**



EASA has been actively involved in the ICAO Safety Management Panel since its inception and participated in the development of ICAO Annex 19 edition 2, published in July 2016. In 2016, EASA's role changed from advisor to the Panel to member of the Panel, representing the European Commission.

EASA also actively participated in the work of the Safety Management International Collaboration Group.<sup>11</sup>

### **1.3.2.4 Regulation related tasks**

With regard to Cabin Air Quality, the Agency's 2 commissioned studies were completed: "Preliminary Cabin Air Quality Measurement Campaign" and "Characterisation of the toxicity of aviation turbine engine oils after pyrolysis". The reports will be published early 2017. Furthermore, the Agency supported the European Commission in launching a follow-up study.

### **1.3.2.5 Environmental protection**

2016 main activities in the domain of environment were:

- Publication of the EASA led European Aviation Environmental Report 2016 (<http://www.easa.europa.eu/eaer>).
- Agreement on two new global environmental standards (aeroplane CO2 standard and aircraft engine nvPM mass concentration standard) at ICAO CAEP/10. Both standards involved significant input from CT.5.
- Launch of EASA NPA to incorporate the ICAO CAEP/10 agreements into EU legislation and EASA certification specifications.
- Agreement on a new global Market Based Measure (CORSIA) at the ICAO 39th Assembly, following which a contract was put in place with DG CLIMA for EASA (CT.5) to provide technical support in implementing the CORSIA.
- Provide technical support to the European Commission and the Member States for the CAEP11 work programme.
- Technical management of the Public European Model Suite for Aviation contract concerning the development of a helicopter noise model and the measurement of aircraft engine non-volatile particulate matter emissions.

The Regulation achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives.

---

<sup>11</sup> This group, initiated by the FAA, TCCA, EASA, and ICAO in February 2009, focuses on how to address standardisation and harmonization of Safety Management System (SMS) implementation, to promote a common understanding of safety management principles and requirements, facilitating their application across the international aviation community. Since its formation, 15 more Civil Aviation Authorities have joined and ICAO has become an observer to the group.





## 1.4 Product Safety / Environment Oversight

### 1.4.1 Objective and scope

The Agency is responsible for the airworthiness and the 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 throughout their entire operational life. This includes identifying and reacting without undue delay to safety problems and issuing and disseminating the applicable mandatory Airworthiness Directives (ADs).

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

### 1.4.2 Main achievements in 2016

#### 1.4.2.1 Initial Airworthiness and Environmental Certification

The total amount of applications received throughout 2016 was lower than 2015 levels. This is mainly related to certain project categories such as minor changes and repairs, aircraft flight manuals and approval of flight conditions for permit to fly, for which the level of workload is usually lower than other project categories. Furthermore, the reduction of minor changes is partially due to the successful introduction of the Certification Specifications for Standard Changes and Standard Repairs, which allow simpler processes for the embodiment of some changes and repairs to certain aircraft (mainly general aviation). Among others, the Agency received type certificate applications for the COMAC 919 and the Irkut MC-21 large aeroplanes; the Cub Crafters CC19-180 small aeroplane. The number of major changes and derivatives remained stable (e.g. derivatives: Bombardier CS300 and Piper M600) as well as the number of European Technical Standard Order Authorisation (ETSOA) applications.

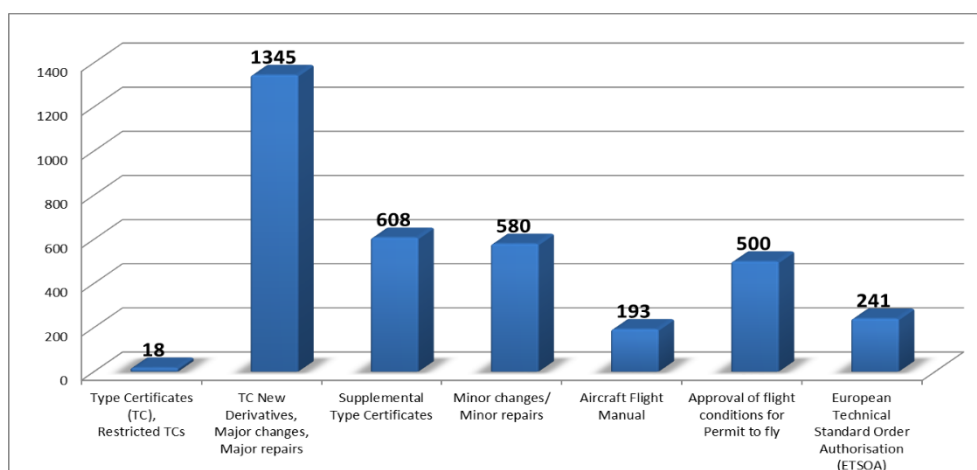


Figure 3: Applications submitted to the Agency for the certification activities in 2016

The total amount of certificates issued during 2016 (3,027) is slightly below 2015 levels. Type certificates were issued among others for the Bombardier CS100 large aeroplane, the Tusas Hürkus



turboprop aircraft (first military trainer aircraft certified by EASA), the Honda HA-420 business jet and the CFM LEAP-1B and Rolls Royce Trent 1000 TEN large turbine engines. Among the major changes, the Agency issued certificates for the Airbus A320neo with LEAP-1A and with PW1000G engines, the Bombardier CS300, the Cessna Citation Sovereign and T240 (Major upgrade of the Cessna Lancair), the Dassault Falcon 8X, the Airbus Helicopters EC135/635 T3H/P3H. A total of 12 new Type Certificate Data Sheets for Noise were issued in 2016, 1,179 new noise level aircraft configuration and 2,613 revisions and updates on existing aircraft configurations.

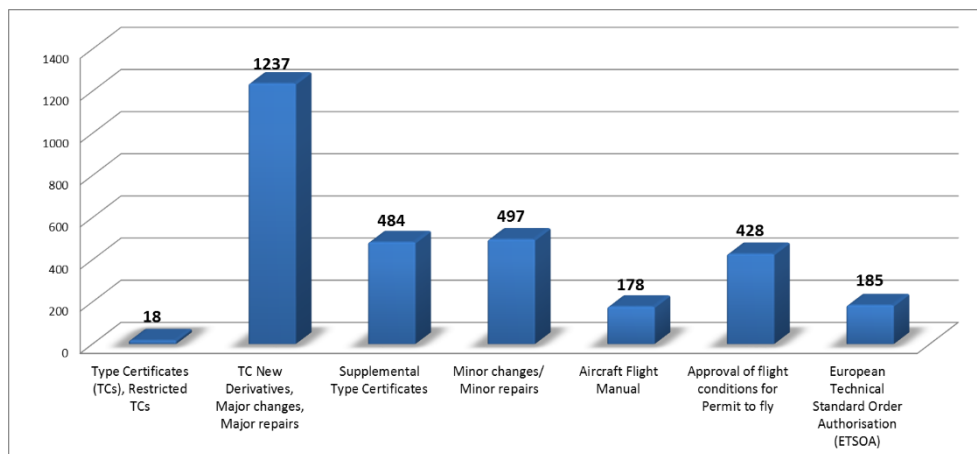


Figure 4: Approvals issued by EASA during 2016

During 2016 EASA issued the Opinion 7/2016 on the ‘Embodiment of level of involvement requirements into Part-21’, laying the basis for a risk-based approach in how the Agency verifies compliance demonstration (and verification) by the applicant in certification projects. The proposed amendments are not yet adopted by the European Commission. The Agency prepared a Certification Memorandum, providing more guidelines on how to apply the new approach on level of involvement<sup>12</sup>. Furthermore, the Agency agreed with some design organisations to voluntarily test the proposed amendments and the guidelines prepared in a number of advanced application projects. The outcome will be used to further develop suitable guidelines, eventually to be transposed into Acceptable Means of Compliance (AMC) and Guidance Material (GM).

The implementation of the Operational Suitability Data (OSD) in Part-21 was completed with the publication of the amending AMC and GM to Part-21 to include changes to the Operational Suitability Data.

In the framework of the existing Bilateral Aviation Safety Agreement (BASA) with the US, EASA together with the Federal Aviation Administration (FAA), developed a Validation Improvement Roadmap for achieving more streamlined validations and level of validation involvement reduced to 20% overall compared to certification by 2022 equally in both directions. The roadmap will be implemented through revisions of the Technical Implementation Procedure (TIP). Additionally, provisions to cover OSD approvals and equivalent processes were included in the TIP with Transport Canada (TCCA) and are being discussed for inclusion in the TIPs with Agência Nacional de Aviação Civil (ANAC) Brazil and FAA.

The Agency, together with the European Commission, developed concepts for a common regulatory framework for unmanned aircraft in the EU and in August 2016 published a first draft regulatory proposal (called ‘prototype rule’) for the ‘open’ and ‘specific’ Unmanned Aircraft Systems (UAS) categories. The ‘prototype rule’ provided stakeholders with an initial draft of a future *framework for*

<sup>12</sup> The Proposed Certification Memorandum was published on 23 January 2017 for consultation.



*unmanned aircraft in the EU Regulation*. The draft will be further elaborated and consulted with stakeholder in a Notice of Proposed Amendment (NPA) in the course of 2017. EASA is also participating in UAS related ICAO panels and in Joint Authorities for Rulemaking on Unmanned Systems (JARUS), aiming to achieve rule harmonisation at global level. Related to UAS, EASA published two studies 'Drone Collision' and 'Study and Recommendations regarding Unmanned Aircraft System Geo-Limitations'.

Throughout 2016, the Agency organised events with the industry and the National Aviation Authorities to promote the latest developments in the field of product certification and related regulation tasks, such as the Design Organisation Approval (DOA) Implementation and Certification Workshop, the Rotorcraft Symposium, the Airworthiness Directives (AD) workshop and the 'Prototype regulation for open and specific categories' workshop (UAS workshop). These events are opportunities for the participants to exchange views and opinions with EASA representatives.

Concerning Airport Noise Regulation 598/2014, which entered into force on 13 June 2016, the Commission had earlier clarified the fact that the Agency would be responsible for the collection and verification of Aircraft Noise and Performance (ANP) data as well as the collection of individual aircraft noise documentation. To this end, the Agency is developing procedures for ANP verification and is pursuing IT based solutions for the collection and publication of relevant ANP and noise documentation information.

Concerning the REACH Regulation 1907/2006 the Agency is developing with European Chemicals Agency a memorandum of understanding with the intention to formalise the support that the Agency can give to the REACH process.

#### **1.4.2.2 Continuing Airworthiness Oversight**

The Agency dedicated a significant amount of hours to continuing airworthiness oversight, increasing the overall volume of hours, compared with 2015. This is due to the continuous increase in the fleet size, the increase in the available safety information (following also the entering into force of the Regulation (EU) 376/2014) and a direct consequence of specific events.

Following a fatal accident in Norway which occurred to an Airbus Helicopter EC 225 LP, EASA issued the Emergency Airworthiness Directive (EAD) 2016-0104-E, grounding the EC225 LP and AS332 L2 Super Puma fleet. After around five months of investigation and putting risk mitigations in place, the Agency allowed the aircraft to return back into service, ending the flight prohibition imposed by the aforementioned EAD.

The Internal Occurrence Reporting System (IORS) collects incoming safety information, supports analysis and allows follow-up by technical staff in a consistent and effective manner. As a result of the continuing airworthiness oversight activities the Agency issued 290 ADs (including revisions and corrections) and 30 EAD (mainly for helicopters due to technical product peculiarities, requiring a faster reaction time). The detailed list can be found on the AD publication portal at <http://ad.easa.europa.eu/>. The following diagram shows an extract per product category.



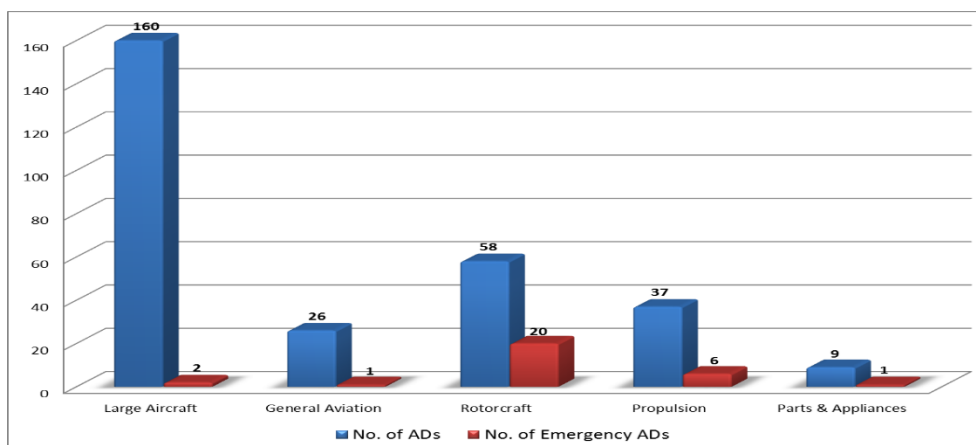


Figure 5: AD and EAD issues by EASA during 2016

Additionally, 210 foreign ADs (including revisions and corrections) and 30 Foreign Safety Advisory Information publications were uploaded to the AD portal. The total number of Alternative Method of Compliance applications (69) received remained stable in 2016.

Moreover, 30 Safety Information Bulletins (SIB) were published, relating to airworthiness and operational matters. SIB were issued among others on 'Safety precautions regarding the transport by air of damaged, defected or recalled lithium batteries', addressing risks associated with the transportation by air of Galaxy Note 7 devices and further extended its scope to any other lithium cells, batteries or portable electronic devices which are damaged, defective or recalled<sup>13</sup>.

#### 1.4.2.3 Product Safety Oversight related services

In 2016, the Agency received 548 applications to support the validation of EASA certificates/approvals in third countries. In this context the Agency provided technical support, taking into account the existing bilateral agreements and working arrangements. It is worth mentioning that the reciprocal acceptance of European Technical Standards Order Authorisation (ETSOA) / Technical Standards Order Authorisation (TSOA) between EASA and the FAA entered into force in March 2016. EASA and FAA have furthermore developed a Validation Improvement Roadmap, which was signed on 29 February 2016.

Concerning the Maintenance Review Board (MRB) process, work continued with bilateral partners, particularly the FAA, to reduce redundant regulatory oversight by mutual recognition of the other party's activities and by standardising regulators' processes based on International MRB Process Standard. Furthermore, work is underway to extend DOA privileges to MRB activities for routine items. Non-routine items still require EASA approval under the level of involvement concept.

Under the framework of the EU-China Aviation Partnership Project, the Agency supported European manufactures in validating their products in China (e.g. Airbus A350, Diamond DA 62 and Leonardo AW 169).

#### 1.4.2.4 Expertise and Support for other Agency processes

The technical staff working mainly in product safety oversight activities was also involved in other processes across the Agency. For the main achievements please see the details in the Regulation,

<sup>13</sup> The SIB was subsequently withdrawn with the SIB 2017-01 on 9 February 2017.

Organisation Approvals as well as International Cooperation and Inspection of Member States chapters.

The Product Safety / Environment Oversight achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives.

## 1.5 Organisation Approvals

### 1.5.1 Objective and scope

The Agency is responsible for approving design organisations - irrespective of their location – as well as for approving organisations active in production, maintenance, maintenance training, and continued airworthiness management. EASA is also responsible for the oversight of the related certificates and their continued surveillance.

For Crew Training and Medical Organisation Approvals, the Agency, as the Competent Authority, shall issue and renew the certificates of Pilot Training Organisations and Aero-Medical Centres located outside the territory of the Member States and, where relevant, their personnel.

Additionally, EASA is also responsible for initial and recurrent qualification and special evaluation of Flight Simulation Training Devices' (FSTD). It also performs compliance monitoring audits of FSTD operators outside the Member States and three Member States that have transferred their responsibility for FSTDs to the Agency.

### 1.5.2 Main achievements in 2016

#### 1.5.2.1 Continuing Airworthiness Organisations Approvals

EASA is responsible for approving maintenance and maintenance training organisations located outside the territory of the Member States, and for ensuring the compliance of such approved organisations with the applicable safety standards by performing continuous oversight. It does so through initial investigations and continued surveillance, either performed by in-house auditors and experts, or by outsourcing these tasks to accredited NAAs.

The number of new applications in the field of maintenance and maintenance training organisation approvals is still slightly increasing, albeit at a rate lower than compared with previous years. Towards the end of 2016, the Agency had a cumulative total of 2,005 such organisations under its oversight, as shown in the table below:

Type of Organisation :	Active :	Suspended :	Outsourcing :
US Part 145 Approvals	1,404	7	
EASA Canada Part 145 Approvals	187		
EASA Brazil Part 145 Approvals	16		
EASA Foreign Part 145 Approvals	331	5	50%



EASA Foreign Part 147 Approvals	61		50%
Organisations in Serbia	4		
EASA Part M, sub-part G (CAMO)	2		

Table 1: CAO Oversight

### 1.5.2.2 Design Organisations Approvals (DOA):

Based on the newly published AMC and GM, most DOA applied to the Agency for an extension of their scope to include changes to OSD. Significant number of audits were performed leading to subsequent updates of the Terms of Approval. This contributed to a substantial increase of significant change applications, which amounted to 541 cases compared to ca. 350 cases in previous years.

15 new DOA were approved and 28 applications for new DOA were received. On 31 December 2016, 331 DOA were under the oversight of EASA, of which 292 in EU and 39 non-EU. In June 2016, the single DOA for Airbus Helicopters was issued merging the previous French and German DOA. The DOA Implementation and Certification Workshop with industry, organised in November 2016, was a huge success with the involvement of around 440 participants from industry, National Aviation Authority (NAA) and EASA. The experience confirmed it to be a good forum to share experiences and proposed ideas in dedicated meetings and/or the plenary session.

### 1.5.2.3 Production Organisations Approvals (POA):

At the end of 2016, the number of Production Organisations Approvals issued by EASA stood at 36 and one Single POA for Airbus making a total of 37 EASA approvals.

The application for an Airbus *Helicopter* Single POA was received by the Agency in December 2016 but the Agency was still awaiting an official request from the NAA to EASA for taking over the local approval. A further 9 applications were under initial investigation.

### 1.5.2.4 Aircrew Training Organisations Approvals (ATO):

The number of ATOs under EASA oversight increased from 14 in 2015 to 21 in 2016 out of which six new organisations have been audited and have to close some non-compliance items before the ATO certificate will be issued. For the current ATOs a high number of new training courses were approved, typically type ratings and or Instructor courses on new aircraft types. Several new applications are expected for 2017.

ATO	2016	2015
Non-Complex	6	4
Complex	15	10
Total	21	14

Table 2: ATO Oversight



Main ATO achievements:

- Approval of the First Flight Test Pilot Training ATO under Regulation 1178/2011;
- Second Flight Test Pilot Training ATO in the finale approval process;
- Approval of a Sea- plane training ATO with Cessna 208;
- Initial approval of a Pilot Training Organisation for business jet with initially two type-ratings;
- Continued development of the tool for Risk Assessment in Pilot Training used by the ATO’s in their Safety Management System;
- Continued implementation of a Change Management System for a major ATO which will ease the application process for changes to the organisations scope of activities.

**1.5.2.5 Flight Simulation Training Devices (FSTD):**

The oversight and approval conditions of FSTDs in 2016 were extremely challenging. In 2015, a high number of FSTD were de-activated or surrendered. This trend was extrapolated in the planning for 2016. However, the trend changed 180 degrees, with a significant demand for initial qualification of new FSTDs and approvals of new FSTD operators or approvals of new training sites for already existing operators.

A total of 12 new FSTD operators or training sites were audited and approved in 2016. A total of 72 applications for Initial Qualifications of FSTD were received out of which 11 were cancelled later, 52 new qualification certificates were issued, and 9 FSTD were delayed, especially due to the travel restrictions to Turkey.

By the end of 2016, a total of 67 FSTD operators with 108 training sites operating 449 active FSTD’s located in 37 countries were approved by EASA or an accredited service provider / qualified entity.

FSTD Devices	2016	2015
Active	449	390
Suspended	2	10
Surrendered	71	53
De-activated	26	24
Total	548	477

Table 3: FSTD Oversight

Main achievements FSTD:

- 52 new FSTD Qualification certificates issued after Initial approvals;
- Significant increase in outsourcing hours to service providers, due to the increase of new FSTD;
- Simplification of application procedures for re-current qualifications, which saves more than 500 applications a year and makes the oversight planning for the following year easier;
- Reduction of travel costs to the operators, clustering visits to include at least two or three devices during each audit.

**1.5.2.6 Aero-Medical Centres:**

Currently there are no Aero-medical Centres outside the member states under EASA oversight. No applications for Aero-Medical Centres were received in 2016. For 2017 a few applications are expected.



### 1.5.2.7 ATM/ANS Organisations Approvals:

In 2016, certification of Eurocontrol as Aeronautical Information Services provider took place, covering the European Aeronautical Database, which is a key element for distributing aeronautical data and information across Europe. European Aeronautical Database operations are run from sites in Brussels, Madrid, Vienna and Frankfurt. EASA conducted the investigation of the European Aeronautical Database services for nearly two years. This initial certification is a key step towards the highest aeronautical data quality required to ensure the future efficiency and performance of the European Air Traffic Management (ATM) network.

Approval of LPV 200<sup>14</sup>: Following the declaration of availability of the LPV-200 EGNOS<sup>15</sup> Safety of Life Service Level EASA provided the National Supervisory Authorities with the necessary support to enable safe implementation of EGNOS-based instrument approach procedures with a decision height of only 200ft. As a result of continued oversight performed by EASA, the Approval Certificate of 'ESSP SAS'<sup>16</sup>, as an Air Navigation Service Provider providing satellite-based augmentation system Signal-in-Space using EGNOS, was renewed in July 2016 for another two years.

The Aireon initial certification process to provide control navigation services started in 2016. This US company plans to use the new 'Iridium' constellation to receive ADS-B<sup>17</sup> out messages and process aircraft positions worldwide. The technical assessment started mid-2016 and is progressing towards a detailed description of the intended scope of operations and the technical architecture of the functional system (involving ground and orbital segments).

The Organisation Approvals achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives.

## 1.6 Inspection of Member States

### 1.6.1 Objective and scope

The objective of the Agency's standardisation activities is to monitor the application of the Basic Regulation and its Implementing Rules (IR) by national Competent Authorities. The means by which these standardisation activities are carried out consists of a monitoring part, where information is gathered and analysed to prioritise inspections, and of an inspection part, where inspections are carried out to directly verify the application of the rules. Reports on standardisation activities are provided to the European Commission and to the Member State concerned.

After the implementation of the revised Standardisation Regulation<sup>18</sup>, all technical domains within the Agency's remit are covered. In 2016 there was no change from the previous year and the scope of standardisation inspections included:

- Airworthiness: AIR;
- Air Operations: OPS;
- Aircrew Licensing: FCL;
- Aircrew Medical: MED;

<sup>14</sup> Localizer Performance with Vertical Guidance to as low as 200 feet above ground level

<sup>15</sup> European Geostationary Navigation Overlay Service

<sup>16</sup> European Satellite Services Provider

<sup>17</sup> Automatic Dependent Surveillance Broadcast

<sup>18</sup> Commission Implementing Regulation (EU) No 628/2013.





- Aircrew Flight Simulation Training Devices: FSTD;
- Air Traffic Management/Air Navigation Services: ATM/ANS; and
- Ramp Inspections: RAMP.

The Agency conducts inspections in the following countries:

- The 28 EU Member States, on the basis of the provisions of the Basic Regulation;
- The 'European Free Trade Area' (EFTA) States: Iceland, Norway and Switzerland, on the basis of bilateral or multi-lateral agreements signed between the European Union and these States, which, inter alia, transpose the provisions of the Basic Regulation and its IRs<sup>19</sup>;
- The 'European Common Aviation Area' States: Albania, Bosnia Herzegovina, Former Yugoslav Republic of Macedonia, Montenegro and Serbia<sup>20</sup>, based on specific working arrangements between the Agency and the Competent Authority of each State;
- Six European Civil Aviation Conference States: Armenia, Azerbaijan, Georgia, Moldova, Turkey and Ukraine, based on similar specific working arrangements signed between the Agency and the Competent Authorities of these States<sup>21</sup>; and

In the domain of the Ramp Inspections, Morocco, the United Arab Emirates, Canada and Singapore are part of the Safety Assessment of Foreign Aircraft Programme and therefore part of the scope on the basis of specific working arrangements.

## 1.6.2 Main achievements in 2016

### 1.6.2.1 Continuous Monitoring Activities

With the Continuous Monitoring Approach (CMA), the Agency gained access to several new sources of information which could have an impact on the capability of a State to discharge its oversight obligations; they include major reorganisations, the variation of the annual budget of the Competent Authority, or the changes in numbers and turnover of FTEs in each domain.

In addition, the Agency gained access to information updated on a regular basis (every six months) instead of data collected by pre-visit questionnaires every two or three years, which allowed to have a clearer picture of the situation of each country between two inspections.

Moreover, the risk-based philosophy at the heart of the Continuous Monitoring Approach supports the achievement of a comprehensive risk-based oversight system to provide safety performance monitoring of aviation activities, in line with Strategic Objective 3.1 of the Agency. In line with this, information and intelligence from CMA are also used during the definition of the planning of each inspection to direct on-site activities to the areas of greater concerns or need.

CMA is also a good example for Authorities willing to move towards a risk-based approach, as suggested by the Authority Requirements.

<sup>19</sup> Liechtenstein, although an 'EFTA' country, has no aviation activities and there is no agreement in place with the European Union. Any aircraft registered in Liechtenstein are supervised by Switzerland.

<sup>20</sup> There is no agreement in place between the Agency and Kosovo.

<sup>21</sup> There is no working agreement in place with Monaco or San Marino.



### 1.6.2.2 Inspections performed

In the course of 2016, the Agency performed 99 standardisation inspections. In general, the trend towards reduction of the number of inspections is confirmed. This can be attributed to the effect of continuous monitoring that reduces the need to perform on-site activities and compensates this with the analysis of data. However, in some domains the number of inspections has increased because of new regulations becoming fully applicable and the consequent need to verify their implementation, e.g. in OPS or in FCL.

Inspection type	AIR	OPS	FCL	MED	FSTD	ANS	RAMP	Total
Comprehensive	13	14	10	8	6	10	8	70
Focussed	2	6	4	3	2	7	4	28
Ad hoc	1						1	2
<b>All types, 2016</b>	<b>16</b>	<b>20</b>	<b>14</b>	<b>11</b>	<b>8</b>	<b>17</b>	<b>13</b>	<b>99</b>

Table 4: Standardisation inspections performed per domain in 2016

### 1.6.2.3 Cross-domain assessment of authority requirements

The Agency decided to assess the relevant parts of the Authority Requirements in a cross-domain approach, and to review the level of implementation of the actions stemming from EPAS with the objective of minimising the workload for Competent Authorities and the Agency. This enabled Agency internal standardisation across the five relevant domains and synergies while conducting inspections.

The programme was fully supported by all Member States and followed with big interest. During 2016, the cross-domain assessments were conducted in 16 States, where 34 findings were raised<sup>22</sup>, mainly class 'C' with some exception of class 'D'.

The assessment of Authority Requirements delivered a varied picture of the level of implementation with many Authorities still facing difficulties in establishing the enabling elements of a Management System. Only in few cases this essential component of the Authority was found properly functioning and adequately supported by cultural and methodological changes. A real performance and risk-based approach, which would allow to fully exploit the potential of the rules in terms of safety management capability and flexibility, is still beyond the reach of many Authorities due to various factors. As a consequence a pure compliance-based approach is still pursued, which anyway delivers a good level of safety across Europe.

During cross-domain assessments, also review of EPAS actions took place. It allowed EASA to obtain a comprehensive picture of the status of the SSP and EPAS implementation at European level, identifying those States that are clearly advanced as well as those which need assistance to progress. Across a number of States, it was possible to gather information that was never reported to the Agency before. In other cases, it was found that the self-assessments proved to be over-optimistic. The on-site review also allowed the Agency to conduct one-on-one discussions, helping to clarify questions and offer advice.

<sup>22</sup> The total number of Cross-Domain Assessment findings is 124, as explained in 3.6



#### **1.6.2.4 Airworthiness**

During 2016, all Airworthiness Standardisation inspections were planned and executed using the CMA principle and involving 34 team members and observers from the Member States' Competent Authorities.

Of the visits conducted, 13 were of the comprehensive type, including one (to the UK) in the context of confidence building with the Civil Aviation Administration of China (CAAC). Also in the frame of confidence building with the CAAC were two ad-hoc inspections to Poland and Austria.

#### **1.6.2.5 Air Operations**

In the domains of Air Operations and Ramp Inspections, 20 OPS and 13 RAMP Standardisation inspections were planned, prepared and performed on the basis of the identified risks with no significant disagreements with the inspected Authorities. The standardisation process was extended to include the new provisions for Flight Time Limitations (FTL) and non-commercial Operations.

Furthermore, the Agency facilitated the mutual exchange of information and assistance amongst Competent Authorities and coordinated a Cooperative Oversight project as a tool to address the emerging business models that are enabled by the single EU market. In terms of results, non-compliances remained concentrate in the areas of oversight (CE-6 and CE-7).

#### **1.6.2.6 Aircrew**

The inspection results from the year 2016 show that there are still some adjustments to be made regarding the implementation of the Aircrew Regulation. According to the analysis of the results stemming from the 2016 standardisation inspections in the FCL, MED and FSTD domains, including the cross domain assessments, the major concerns identified were related to ICAO CE-3 (State civil aviation system and safety oversight functions), ICAO CE-5 (Technical guidance, tools and the provision of safety-critical information), ICAO CE-6 (Licensing, certification, authorization and approvals obligations), and ICAO CE-7 (Surveillance obligations).

In addition to the weaknesses related to the staffing and the management systems, issues have also been identified in the effectiveness of the oversight for some authorities, due to the lack of effective procedures. For this reason, the Agency *started to deploy the principle of Technical Agreement Contracts*, in order to support the Authorities in the implementation of specific activities.

#### **1.6.2.7 Air Traffic Management (ATM)/ Air Navigation Services (ANS)**

As of 2016, Air Traffic Management (ATM)/ Air Navigation Services (ANS) standardisation activities include tasks from ICAO's Universal Safety Oversight Audit Programme. As agreed with ICAO, ATM/ANS Team Leaders are now verifying during standardisation visits - as part of the ICAO CMA process - unanswered 'Universal Safety Oversight Audit Programme' protocol questions and findings of Member States. Staff was explicitly trained for this additional activity. Furthermore, EASA conducted 17 ANS standardisation inspections, as planned.



ATM/ANS staff from Brussels office moved completely to Cologne. Teams are now sharing oversight and standardisation tasks.

### **1.6.2.8 Aerodromes**

In 2016 the extension of standardisation to Aerodromes was initiated. To this end, the team responsible for the regulation of Aerodromes was reorganised and granted additional training, to consolidate its work and create capacity for future standardisation tasks. With the unique feature of standardisation and regulation activities being conducted in one section, the Aerodromes Section consolidated its standardisation activity in preparation for 2018, when it will start to visit competent authorities in Member States.

### **1.6.2.9 Other activities in 2016**

During 2016, a total of 126 team members were seconded from the various Competent Authorities, 50 % of staff participating in inspections. In addition, the Agency delivered three initial training courses for standardisation team members in 2016. From a total of 44 participants, 20 were Agency staff, and 24 were from the Competent Authorities of the various Member States. Moreover, the Agency held several workshops to clarify the intent of the rules and to improve compliance by Member States. In many respects, 2016 was a transition year during which the new policy on the Agency Advisory Bodies was progressively applied, and standardisation meetings were gradually replaced by the Member States Technical Bodies (TeB) meetings in each domain.

To report on the work done in 2016, on Risk Based Oversight: in December 2015 the EASA Management Board endorsed the Agency proposal to establish a working group, under the leadership of the Agency, to develop a competency framework for Civil Aviation Authority Inspectors, who need to be prepared for the upcoming challenges in safety oversight. Such a framework is considered to be the right solution in the medium to long term. It follows a horizontal approach across all domains, suited to the industry needs in defining the key competencies and skills required by inspectors. The proposed competency framework will enable inspectors to act as an essential catalyst for the implementation of safety management and risk-/performance-based oversight in the aviation system. The final version of the document "Practices in Risk-based oversight" was published during this year.

The cooperation between the Agency and ICAO continued and improved during 2016, with some of the provisions of the Agency/ICAO working arrangement seeing practical implementation. This entailed working in three areas:

- Participation to ICAO Universal Safety Oversight Audit Programme audits.
- Exchange of safety information supporting continuous monitoring for the benefit of both ICAO Universal Safety Oversight Audit Programme and Agency standardisation activities.
- Coordination of Agency standardisation inspections and Universal Safety Oversight Audit Programme activities.

The Inspection of Member States achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives.



## 1.7 Operators

### 1.7.1 Objective and scope

This section covers the activities of the Agency related to the coordination of the Ramp Inspection Programmes (Safety Assessment of Foreign Aircraft (SAFA) / Safety Assessment of Community Aircraft (SACA)) and the authorisation of Third Country Operators (TCO) performing commercial air transport operations in territories covered by the EASA Basic Regulation. These activities contribute directly to enhancing the data-driven safety plan for Europe and disseminating EU regulations and products.

### 1.7.2 Main achievements in 2016

#### ***1.7.2.1 Ramp Inspection Programmes (Safety Assessment of Foreign Aircraft / Safety Assessment of Community Aircraft)***

In 2016 the overall number of ramp inspections performed remained stable at around 12.000. All data gathered during those inspections was subject to regular as well as ad-hoc analyses; the results were shared with the participating States and the European Commission in the ambit of the EU Air Safety List process. Moreover, the same results were shared internally, feeding the standardisation process and the TCO authorisation process. Potential safety threats were identified, and actions were proposed to mitigate emerging risks in a timely manner. The synergies developed between the ramp inspection programme and the TCO process continued to be very effective.

In line with the strategic priority to enhance the data driven safety plan for Europe, the Agency has identified and integrated the data stemming from SACA inspections into the Continuous Monitoring Approach (CMA) model. SACA data are included into the CMA model, and specific cases of concern are evaluated and addressed at individual operators' level.

With regard to the objective to foster the international presence of the Agency and EU products through EU regulations and programmes, in the course of 2016 two new States (Israel and Australia) joined the SAFA programme.

#### ***1.7.2.2 Third Country Operators***

In the course of 2016, the Agency successfully deployed its TCO Authorisation system. By the end of the TCO transition period on 26 November 2016, more than 800 applications were processed and duly evaluated, leading to the issuance of about 600 authorisations as well as of 11 negative decisions on safety grounds. All commercial air transport flights from/to the EU now operate under a TCO authorisation and are being subject to a continuous monitoring programme. The programme and associated visits (comprising of TCO audits, EU Air Safety List visits, ICAO Universal Safety Oversight Audit Programme audits and EASA Standardisation Inspections) were fully implemented, as planned.

Throughout 2016, close coordination was maintained with the European Commission to ensure the necessary alignment between TCO authorisation decisions and the EU Air Safety List mechanism. EASA participated in meetings and hearings organised by the Commission in preparation and conduct of each Air Safety Committee (ASC) meeting. During the ASC meetings the Agency delivered technical analyses and updates on the TCO implementation progress.

The Agency's web-based TCO software application proved to support well the authorisation process as a tool to inform all relevant stakeholders about the status of TCO applications and authorisations.



The Operators achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives.

## 1.8 European Central Question Bank

### 1.8.1 Objective and scope

The European Central Question Bank (ECQB) contains the questions to be used by the Member States (and eligible non-EASA States) for the theoretical knowledge examination of pilots for a commercial pilot licence, airline transport pilot licence, multi-crew pilot licence and instrument ratings for aeroplanes and helicopters.

A new process for the European Central Question Bank and a dedicated team are in place in the Agency since the beginning of 2015. A main objective is to ensure that pilots applying for those licences/ratings are trained and tested on the basis of an up-to-date, world-class syllabus and question bank. The ECQB team ensures this by continuously improving the content of the question bank, and by keeping the syllabus and learning objectives, which form the basis of the training and testing, up-to-date, relevant and reflective of best practices.

### 1.8.2 Main achievements in 2016

The first major overhaul of the theoretical knowledge syllabus and learning objectives in over a decade was proposed in June as a Notice of Proposed Amendment (NPA) 2016-03. In addition to revising all subjects, an additional subject area (Area 100 Knowledge, Skills and Attitude) was proposed, introducing a competency-based approach to the theoretical knowledge training towards a licence.

The latest release of the question bank, ECQB 4.0, was made available to the competent authorities of the EASA Member States and eligible non-EASA States in November 2016. The list of eligible non-EASA States expanded in 2016 to include Serbia. In developing ECQB 4.0, some 30 question writers and 40 subject matter experts from all over Europe were involved. ECQB 4.0 marked a significant improvement to the question bank:

- 1,490 new questions were added across all subjects, improving the representation of questions for the helicopter category, and introducing questions on Performance-Based Navigation, in response to the revisions made to the Aircrew and Air Operations regulations;
- 2,051 existing questions were reviewed and amended as appropriate.

The European Central Question Bank achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Strategic alignment with the Juncker Objectives.

## 1.9 International Cooperation

### 1.9.1 Objective and scope

The Agency concludes Working Arrangements (WA) with foreign civil aviation authorities and participates in the negotiation and implementation of Bilateral Aviation Safety Agreements (BASA) and other aviation agreements, supporting the European Union efforts.



On a multilateral basis, the Agency is strengthening its relations with the International Civil Aviation Organisation (ICAO), in close coordination with the European Commission and the Member States.

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

These activities are supported, in China, Canada and the US, by local EASA External Representations.

### 1.9.2 Main achievements in 2016

The Agency's international cooperation activities were supported in 2016 through improved communication channels, including a central hub on the EASA website with information on all agreements, working arrangements and technical cooperation activities, and an increased number of coordination meetings with industry and other stakeholders.

#### US

In 2016 EASA and the Federal Aviation Administration (FAA) continued their close cooperation to make maximum use of the EU-US BASA. They jointly developed a Validation Improvement Roadmap, with the goal of implementing a risk-based approach to reduce the involvement of the validating authority. This is already the case for ETSO/TSO23 Articles and approvals, which are already automatically accepted in both systems, resulting in significant savings for both Industries. Progress was also made on the extension of the BASA to new areas, with the new Annexes on Pilot Licensing and Flight Simulation Training Devices practically ready for adoption, once the political aspects have been addressed and the Commission has concluded the consultation and endorsement process. The cooperation with the FAA also evolved in the field of Rulemaking, with regular meetings towards a more strategic approach in future alignment.

#### Canada

During 2016 EASA and Transport Canada Civil Aviation (TCCA) continued the existing good cooperation from previous years including the initiation of discussions on whether cooperation with TCCA could be strengthened namely with regards to Annex B Maintenance. To this end a roadmap to simplify the EU / Canada Agreement – Annex B Maintenance was established and approved by the Joint Sectorial Committee on Maintenance with the objective to lead to a simplification of the Annex B.

#### Brazil

During 2016 EASA and Agência Nacional de Aviação Civil (ANAC) continued to cooperate in order to ensure the effective implementation of the EU / Brazil Agreement. During 2016, with the approval of revision 1 to the MAG and the transfer of the AMO files on both sides finalised, the transition period was closed and Annex B Maintenance fully implemented.

#### China

EASA and the Civil Aviation Administration of China (CAAC) formally launched the EU-China Aviation Partnership Project in February, which marks a new chapter in EU-China aviation cooperation. A memorandum of cooperation was signed and the first work plan with 17 activities is currently being implemented. It covers the areas of airworthiness, flight standards, air Traffic Management and environment in the first year.

In 2016, the cooperation with CAAC also focused on implementing the 'technical roadmap', addressing confidence building activities in support of the EU-China BASA negotiations. To this end, seven

---

<sup>23</sup> European Technical Standards Order – Technical Standards Order (US)



assessment visits of Europe and China, managed by EASA for the EU side, were successfully conducted. EASA also actively participated in the negotiation, providing technical support to the Commission. The Agency drafted a first version of the BASA as a basis for the first round of negotiation, and a draft Annex on Certification to be negotiated during the second round.

### Japan

The cooperation with the Japanese Civil Aviation Bureau focused on preliminary discussions regarding the assessment of the Japanese civil aviation system in the area of airworthiness. This is to support the future opening of BASA negotiations between the EU and Japan.

### Australia

A Working Arrangement on cooperation in the EU ramp inspection programme was signed with the Civil Aviation Safety Authority of Australia (CASA). Australia's contribution is expected to broaden the information available to all participating States, mainly for those operators unique to the Asia-Pacific Region.

### South East Asia

In 2016 EASA began preparations for the opening of a regional office in Singapore. Further to the EASA Representative for Singapore and Southeast Asia, the office will be staffed with a technical officer and a local assistant, and be hosted by the EU Delegation. In addition, EASA and the Civil Aviation Authority (CAA) of Singapore began consultations on new Working Arrangements in the airworthiness domain, which should be signed in 2017 (initial airworthiness certification) and 2018 (continuing airworthiness).

EASA also established a cooperation framework with CAA Thailand, to foster rulemaking cooperation, facilitate implementation of EU aviation safety rules in Thailand and assist CAA Thailand with its efforts to further enhance its safety level.

### Pan-European Partners

EASA maintained close cooperation with the non-EASA European NAAs (National Aviation Authorities) under the Pan-European Partners platform, and ensured the monitoring of the implementation of EU aviation safety acquis in the EU neighbourhood through EASA standardisation activities.

### International Civil Aviation organisation (ICAO)

The Agency contributed significantly to the European input for the 39th Assembly of ICAO, by drafting four working papers and providing the secretariat to the European safety coordination group. A notable achievement was the wide support to the European working paper on regionalisation and subsequent adoption of Assembly resolution A39-14 on this topic. The successful cooperation with the ICAO Secretariat resulted in the development of an amendment to Annex 1 to the Chicago Convention, providing ICAO's acknowledgement of European mutual recognition of flight crew licences. EASA also increased its presence at ICAO Panels and a representative of EASA was elected chairman of ICAO's Airworthiness Panel. Finally, 2016 was the first year of EASA as the leader of the group of donors providing technical assistance in the field of safety (ICAO Aviation Safety Implementation Assistance Partnership), co-chaired by the Agency together with China.

### Overview of signed Working Arrangements (WA)

Working Arrangements were signed with China (10 WAs), the Western Balkans countries (5 WAs), Australia (1 WA), Ukraine (1 WA), Japan (3 modifications to the existing WA), Singapore (1 WA) and Thailand (Cooperation Arrangement). Furthermore, EASA signed a declaration of intent with the Ministry of Land, Infrastructure and Transport of the Republic of Korea regarding the certification of the Korean satellite-based augmentation system.

### Technical Cooperation





In 2016, EASA implemented several technical cooperation and assistance projects supporting:

- The European Neighbourhood countries, including the Western Balkans, Eastern Europe and Mediterranean countries. These projects aim to support the enhancement of safety and interoperability with European standards. In 2016, they included the Instrument for Pre-Accession Assistance 3 project (launched in July 2015 for a period of two years), the EUROMED Aviation Safety project (launched in January 2015 and extended until June 2017) and the new Eastern Partnership / Central Asia project (launched in February 2016 for a period of four years).
- The Sub-Saharan Africa region. These projects support national authorities in complying with their international obligations and the enhancement of Regional Safety Oversight Organisations (RSOOs). In 2016, they included the ATA-AC project (Amélioration du transport aérien en Afrique centrale, launched in 2013 for a period of three years and extended until December 2017), the Support to Improvement of Aviation Safety in Africa project (launched in 2013 and completed in October 2016), as well as dedicated projects for Zambia (launched in July 2012 and completed in June 2016) and Malawi (extended until June 2017).
- The South East Asian region, and specifically the 10 countries of the Association of South East Asian Nations (ASEAN). The ASEAN Air Transport Integration Project, launched in 2012 to support the development of the ASEAN Single Aviation Market, and in particular its Safety and Air Traffic Management components, was completed in November 2016.
- Emerging markets, such as China and India, to support safety and EU commercial and environmental interests. In 2016 this included the EU China Aviation Partnership project, initiated in 2015 for a period of five years, as well as continuing support to the South Asia Regional Initiative for regional harmonisation with EU regulations. In December, a new contract was signed with the European Commission for a four-year EU South Asia Aviation Partnership project.
- Furthermore the Agency also implemented projects to develop the safety oversight capacity of specific states (notably Guyana, Malawi, Mozambique, Nepal, and Zambia) and Regional Safety Oversight Organisations, notably ACSA (Agencia Centroamericana de Seguridad Aeronáutica) and SRVSOP (Sistema Regional de Cooperación para la Vigilancia de la Seguridad Operacional), as well as those covered by the regional projects in Africa, such as CASSOA-EAC (Civil Aviation Safety and Security Oversight Agency - East African Community).

As appropriate, EASA closely cooperates with interested EU Member States, EU industry, ICAO and other relevant stakeholders.

The International Cooperation achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives.

## 1.10 Support Activities

### 1.10.1 Applicant Management

As part of its regular assessment of applicants' level of satisfaction, the Agency issued its annual survey in the first quarter of 2016. The response rate was excellent (over 3,000 respondents from the 11,000 companies contacted) and showed overall applicant satisfaction at 77%. The survey was addressed to all applicants that had applied at least once for a certificate or approval.



To support the Agency strategy of better engagement with applicants by establishing a single point of contact, a first team of account managers was introduced to increase responsiveness, predictability and accuracy for prominent European and international companies and applicants in the fields of flight simulation training devices, flight conditions, alternative methods of compliance and product certification and Part 145 approvals from the USA or Canada. Further teams will follow.

The planned extension of the internet based “applicant portal” to all product certification categories in 2016 was suspended in favour of the more comprehensive CORAL programme which is expected to launch in 2017. Instead a concerted promotion campaign resulted in 75% of applications for existing categories of minor changes, major changes/derivatives, ETSOA, and supplementary type certificates being submitted through the portal in December 2016. This will continue in 2017.

Building on the results of an internal project to harmonise the application management process across all certifications and approvals categories the Agency reviewed the procedure for flight simulation training devices (FSTD), eliminating the need to apply for renewals and generating workload savings of almost 1 FTE per annum (at the Agency level). Further reviews are planned for 2017 onwards.

### 1.10.2 Financial Management

From a budgetary perspective the Agency achieved the highest budget execution rate ever (99%, compared to 98% in 2015), well above the 95% threshold of the European Commission (EC). Furthermore, the cancellation of amounts carried over from 2015 to 2016 remained low at 3.7% compared to 3.2% in 2015, also below the 5% limit set by the EC. All financial indicators confirm the ability of the Agency to identify the areas where the financial resources are under-utilized and, consequently, re-employ them in an efficient manner into strategic projects and investments.

As anticipated, the 2016 financial result is a nearly balanced situation. Amongst others, this is a result of achieving full staffing, additional spending on pension contributions for fees and charges staff as well as a swifter re-allocation and spending of unused funds throughout the year.

From a budgetary perspective the Agency ended the year with a loss (Budget Result Account) of -€ 9.3M (-€1.6M related to subsidy activities & -€7.7M related to fees & charges activities).

The fees and charges negative budgetary result (-€7.7M) reflects, on one hand, less cashed revenue than expected, and on the other hand non-recurrent costs linked to the equipment and move to the new EASA premises, the (now recurrent) payment of F&C staff pension contribution, the maintained high occupancy rate (100%) and the impact of the salary adaptation. The fees and charges negative budgetary result is deducted from the accumulated surplus bringing it down from €59.9M to €52.3M.

The negative subsidy budgetary result (-€1.6M) is more specifically attributed to the impact of the salary adaptation, as well as to rulemaking, international cooperation, cyber security and research activities which were more intensive than anticipated.

The provisional annual accounts show a much better balanced situation where the Statement of Financial Performance show an overall loss of €0.7M. When looking at the “Fees & Charges” incomes, in 2016, the Agency invoiced €92.2 M to Industry for services rendered, a decrease of 7.4% compared to 2015 reflecting the dynamics of the business. Simultaneously, a healthy debt recovery standard was maintained, with a closing debt balance of €3.6m which was significantly lower than the figure at the end of 2015 (€0.9 M or 26% lower). Debt outstanding older than 120 days at the end of 2016 was only €168k compared €481k in 2015, which demonstrates EASA’s effective debtor control.

As regards the revision of the F&C regulation it was agreed with the EC to postpone it for the upcoming years as the financial results did not justify the exercise.



The e-invoicing system was not considered a priority in 2016 as the deadline for implementation is the end of 2018. Therefore, it was postponed and will be incorporated in the overall 2017 programme.

The detailed financial and budgetary results are reported in section 2.2 and Annex II.

Additional achievements cover:

- Reorganisation of the Finance and Procurement Department. It was the first step of an ambitious strategy to further strengthen the department's analysis and coordination capacity and make gains in efficiency and productivity.
- EASA managed a substantial number of financial transactions at a comparable level to 2015, and even a higher number of procurement procedures: in total over 22,000 financial transactions were verified, 2,500 invoices processed for payments, 12,100 invoices issued for Fees and Charges activities over 40 High Value and Middle Value (>€60k) Procedures (HVPs/MVPs) managed. Approximately 150 Low value (€1-60k) procedures (25% less than 2015) and 400 Specific Contracts (15% more than 2015) were concluded.
- Particular efforts were made throughout 2016 to improve the level of planning and monitoring in order to:
  - monitor more closely the rate of budget implementation and status of the (high value procedure) planning with the operational departments;
  - monitor more closely the end date of framework contracts and their renewals to ensure improved forecasting and follow-up of contractual needs;
  - provide feedback and highlight to top management delays / risks to the budget implementation, as to bring accountability to the operational departments; thereby facilitating closer follow-up of the planning and timely reaction to potential delays and/or risks.
- In addition, the Finance department continued to provide support to additional projects added through ad hoc grants/convention to EASA's activity portfolio in particular preparation towards the signing of the €10 M EU China Agreement and framework contract procedures to secure external support for this and other international cooperation projects. This was managed with the current level of resources.
- In accordance with article 50 of the Agency's Financial Regulation, an audit of the new inventory system was performed by an external audit body (BearingPoint). Based on the audit conclusions the Accounting Officer of the Agency officially validated EASA's new system as providing the necessary level of control.
- As regards external control, the 2016 Annual Accounts were, for the second time, audited by an external auditor (Ernst and Young) – under the authority of the European Court of Auditors. The European Court of auditors final report is expected in June 2017.

### 1.10.3 Information Technology

The first semester 2016 was dedicated to the move of the IT infrastructure and the set-up of staff workspaces in EASA's new domicile. The project was concluded successfully, without disruption of critical or non-critical applications, within the timeframe defined assuring business continuity.

As part of the IT transformation, EASA focused its activities on implementing the foundation needed to successfully achieve the IT strategy 2016-2021, adopted at the end of 2015, by revisiting all its



processes for an effective and efficient governance. Starting point was streamlining the IT landscape architecture, while considering, from the operational perspective, the future outsourcing of its services.

During 2016, 75% of IT projects were accomplished as forecasted. In accordance to the new governance model, these projects were selected through a prioritisation process, considering both EASA and IT strategies and their foreseeable return on investments. The main projects completed are in the area of Organisational approvals, Rulemaking and Information Management. This achievement is also supported by a shift of expenses towards “expanding IT services” compared to “running IT services”, following efficiency measures implemented in the latter.

Regarding IT security, the IT department signed a Service Level of Agreement with CERT-EU in order to access services, expertise and tools aiming at improving the resilience of the existing applications and systems to potential cybersecurity attacks.

Finally, as part of the Agency Business Continuity Management exercise, the first IT Disaster Recovery Plan was released by end of 2016. The Agency performed the mapping of the critical processes and identified an action plan to ensure business continuity. In 2017 the tests will be performed for all processes.

#### 1.1.0.4 Corporate Services

The most demanding and challenging project for EASA’s corporate services was in 2016 the completion of the move to the new EASA headquarters and the relocation of its staff, contractors and assets by the 6<sup>th</sup> of June 2016. The new building “EASA Neue Direktion” provides a flexible working environment of approx. 22.000 m<sup>2</sup> for some 900 staff, symbolising EASA’s mission to foster cost-efficiency, sustainability and business continuity. The new location is a bold example of the integration of contemporary architecture into a classic building and ensures healthy, safe and comfortable conditions for its staff and visitors. The new building was certified at gold level by the “Deutsche Gesellschaft for Nachhaltiges Bauen”, and EASA’s Disaster Recovery Plan was modernised to take into account the new requirements.

Making the new building and the adjacent car park ready for daily operations and handing the old building back to the owner, entailed many challenges. It required the need to design new processes and implement changes on the go, administering very diverse services and coordinating with a large number of internal and external stakeholders. The move also opened great opportunities for process improvement across facility management functions.

The main new services/installations provided in the new headquarters, are as follows:

- Provision of professional conference room services for EASA meetings, workshops and conferences;
- Canteen & Bistro & Coffee machines operations;
- IT Data Centre operations;
- Maintenance of the technical installations owned by the Agency (conference, data centre and canteen areas);
- Provision of new furniture for the open office space and the common areas;
- Deployment of Facility and Room booking management IT tools;
- Installation of novel technical systems for security and access, fire safety, audio/video and CCTV equipment resulting to the establishment of a new Physical Security concept and policy in June 2016.



In 2016, the Agency simplified the mission claim process reducing reimbursement times below 21 days (target 30 days) whilst it managed to administer the increased number of business trips. The Agency held the majority of its meeting and conferences in the new Agency's premises, achieving a cost reduction of 18% in the overall event management cost (target 20%). Subsequently, the Agency reviewed its conference catering policy to implement further optimisations in 2017.

Whilst professionalising and expanding its service catalogue and processes, EASA continued meeting the needs of its in-house client base in delivering services in the fields of space & move planning, security and reception, travel agency, mailroom, office supplies and management of the rented offices across Brussels and EASA delegations.

EASA also set the base for a new cost control and performance measurement framework for its network of outsourced contractual services providers and attentively managed its yearly operating budget of ca. €17 M for facility related activities, and €0.5 M for travel & conference management services. In addition to this it implemented the Agency travel budget of ca. €5.5 M and the technical cooperation travel budget of ca. €0.9 M, thereby successfully contributing to EASA's financial targets.

### 1.10.5 Communications

EASA updated its Communication strategy in 2016. The business model of communication is profoundly changing. Communication is no longer about publishing information; it is now more about engaging in conversation with communities of interested parties who, in turn, have become actors of the communication channel.

The Agency needs to remain on top of this transformation of the communication paradigm: EASA needs to anticipate and plan its communication activity more than ever before and it needs to be able to personalise the content generated, according to the different audiences. The more targeted and personalised the Agency's content will be, the more it will be likely to engage in conversations with its audiences. Social media and all the digital tools play an important role as enabler of this transformation, a tweet has as much impact, if not more, than a press release.

One of the main pillars of this strategy was the creation of a network of Communication correspondents inside the Agency: one per Directorate plus a representative of Safety Promotion and a representative of International Cooperation. With the support of the Communication and Quality department, the Communication correspondents establish their key priorities for the upcoming months and identify the key targets of their respective directorates, drafting key messages.

### 1.10.6 Internal Audit & Quality

The Internal Audit Capability performed audits in accordance with the 2016 annual audit programme, utilising a risk based approach. Two follow-up audits were postponed to 2017 due to the timeline for the implementation of the actions.

With regards to the maintenance of the IFACI (Institut Français de l'audit et du Contrôle Interne) certificate, there was no external assessment because the procurement procedure failed. After 5 years of annual assessments with no issues of non-compliance, the Agency decided to move to a 5-year assessment cycle in line with the Audit Standards (IPPF).

In the quality area, the integrated management system was successfully audited against the new version of the International Standards Organisation (ISO 9001 version 2015) standards. All 2015 recommendations were closed and no findings or non-conformities were raised.



### 1.10.7 Human Resources

#### Development activities

In order to cope with the challenges of the aviation industry, the Agency decided to operate a dual career system aiming at maintaining and growing competences required by the European Aviation Safety Strategy. The first building block of the new system was introduced in Q4 2015 by establishing a Job Family Framework (job classification system) providing clarity and transparency on the nature and the level of posts required to fulfil EASA's mission. In 2016, the next phase took place, involving an extensive analysis of job seniority across aviation activities. The implementation of this new career system will continue over the following years until reaching full maturity.

The competency framework was deployed to a number of internal projects in 2016. For example, competency-based job profiling was applied to internal reorganisation projects as well as to perform a competency gap assessments (e.g. Gateway II)<sup>24</sup> and for establishing the development modules of the Junior Qualification Programme.

The increased attention to "human factor" issues in aviation, increased the awareness towards "human behaviour" as a crucial element next to technical expertise. Workshops and methodologies to develop a competency framework for civil aviation authority inspectors was provided in support to the Policy and Planning Department in FS and experts of the competent national authorities.

A staff exchange programme was also set up to facilitate the cooperation and knowledge-sharing between stakeholders and the Agency. This programme started with a pilot phase to assess its usability and effectiveness. Its pilot phase was concluded successfully. Three EASA staff members were seconded to hosting organisations and two visiting experts were hosted at EASA.

To increase team-work effectiveness, in support of EASA's evolution, 15 team building workshops took place (impacting altogether 251 participants). The main topics covered during the events were primarily focused on establishing common objectives, planning / KPIs, fostering team spirit and collaboration.

The 2016 performance appraisal and objectives setting exercise was run in line with the new implementing rules adopted by the Management Board in 2015. A newly configured IT tool was successfully used to facilitate a competency-based assessment and greater involvement of staff in the objective and development goal setting.

Similarly, the reclassification process benefitted from new implementing rules, as adopted by the Management Board in 2015. 119 staff members were reclassified.

Following these new implementing rules a considerable effort was involved in redesigning the related HR processes and their supporting tools.

The Staff Engagement Survey was completed and the report was published to all staff in Q2/2016. An implementation plan addressing areas for improvement is being developed.

#### Recruitment activities

The Agency achieved "full house" for the second consecutive year, by recruiting and deploying all Temporary Agent posts allowed by the budgetary authority in the adopted establishment plan (at the end of 2016, EASA employed 677 TAs while filling 676 posts<sup>25</sup>). Average occupancy rate against the establishment plan over the year was 98.3%. Having reached a certain level of maturity, the Agency

<sup>24</sup> This project refers to the re-organisation of the Applicants Services Department, see chapter 1.10.1.

<sup>25</sup> This number includes one offer letter sent before the end of 2016.



stabilised its approach from reactive to proactive recruitment, implementing the first building blocks towards a 5-year-Strategic Workforce Planning (SWP) with the purpose of aligning to the Agency’s strategic and operational priorities. This required also the alignment of its internal reporting system. The work will continue in 2017/2018.

The Agency continued its efforts towards streamlining the recruitment/staffing procedure(s), in particular by contributing to the Agency wide efficiency project ‘LEAP’. The process, launched in 2016, encompassed in-depth analysis of external recruitment and internal mobility processes and benchmarking with selected agencies. Efficiency gains being implemented took into account risk-based compliance, starting with process and procedural efficiencies (first “quick-wins” resulting in workload and lead-time reductions) now being followed-up by further IT dependent measures.

In 2016 the Agency published externally 17 vacancies, targeting 27 temporary agent posts and 3 contract agent positions. 1,722 applications were received and 209 interviews were conducted. Altogether, EASA concluded 37 new contracts of employment (33 TAs and 4 CAs) while 30 staff members left the Agency (24 TAs, 6 CAs).

A new initiative was launched aiming at recruiting junior talents directly from Universities (“Junior Qualification Programme”). This pilot project aimed to bring-in expertise from recent graduates with a high level of academic qualifications, in order to establish a talent pipeline for jobs in the technical domains of EASA. The selection was conducted between May (closure of the Vacancy Notice) and November (establishment of reserve list). The Agency received 820 applications (with a gender distribution ratio of 60/40 (M/F)). Managing this high-volume selection procedure was possible thanks to the innovative use of numerical and abstract reasoning tests in the pre-screening phase, new technologies such as asynchronous video interviews system and amended selection procedures to balance the high volume of applications against efficient use of internal resources.

Activity	Temporary Agents (TA)	Contract Agents (CA)
<b>New contracts concluded 2016</b>	33	4
<b>Staff members leaving 2016</b>	24	6
<b>Net staff increase 2016</b>	-3	-1
<b>Vacancies published 2016</b>	16 (targeting 27 posts)	2 (targeting 3 posts)

Table5: New contracts concluded 2016 (Temporary Agents / Contract Agents)

The Agency conducted its third screening of posts in the context of the Benchmarking exercise as requested by the new Financial Framework Regulation. The result demonstrated a transfer of posts from the Administration categories (Administration Support and Coordination) to Operational."

Based on its positive experience, the Agency also increased the use of Assessment Centres as an instrument in managerial selection procedures, with the aim to further improve the quality of the recruitment process and to the ensure selection of suitable candidates for managerial functions.

**Personnel administration activities**

In 2016, EASA adopted several implementing rules either adopting by analogy the decisions from the Commission, or drafting model decisions developed for the Agencies.

The Agency also adopted several decisions (and internal policies) aiming at modernising the management of human resources as well as providing staff members with the means to achieve a better work-life balance, without prejudice to the needs of the service, namely on:

1. “working time”,



2. article 55a of the Staff Regulations and Annex IVa thereto, concerning “part-time work”,
3. “tele-working”.

In order to ensure a successful implementation, 100% of all related HR processes were redesigned within the year, compared to a target of 30%. Internal guidelines and policies were developed and adopted by the Executive Director.

In connection to the implementation of the above-mentioned rules, the Agency enhanced the existing time management IT tools by integrating leave management functionalities.

#### **1.10.8 Legal Services**

The Legal Department (LD) provided support to all other services of the Agency, including handling of queries on the collection/sharing/usage and protection of data. Among others, legal advice was related to various proposals for the revision of the Basic Regulation; continuous contribution to the implementation of the Germanwings Task Force recommendations; support to the shaping of various Memoranda of Cooperation (e.g. Clean Sky JU, SESAR JU); support to the BASA with China and the Prototype Rules for Drones; support in launching a legal study on the Data4Safety project; advice in several enforcement activities, handling of requests for access to Agency’s documents; support related to Article 14 of the Basic Regulation, support in the preparation of the first Commission Decision under Art. 11 of the Basic Regulation.

LD chaired a one-day workshop on legal drafting with the Commission Legal Service.

LD successfully led (in cooperation with external legal counsel and technical colleagues from the Certification Directorate) the Agency’s defence in a case before the EU Court of Justice. In 2016 the court ruled in favour of the Agency and rejected the appeal brought forward by the applicant.

Furthermore, LD actively contributed to the MOVE 2016 project to ensure a timely and smooth move into the new building, resolving various issues related to the present and past EASA premises. LD also handled staff complaints, appeals and inquiries; also awareness training was provided on Civil Service Law matters to various services.

#### **1.10.9 Technical Training**

The objective of EASA’s technical training is - in close cooperation with technical units and the Human Resources Department - to provide training services to EASA staff, the staff of aviation authorities and industry, as well as to universities and similar educational institutions.

In 2016, technical training organised 118 class-room training sessions, of which 71 sessions were delivered by EASA trainers. The remaining class-room training sessions were procured training services. As in the previous years, the training sessions focused on the domains of initial and continuous airworthiness, as well as on cross-domain subjects. Around 830 trainees participated in technical training sessions, of which around 20% were external participants.

The training sessions received overall a very satisfactory evaluation result.

Several new EASA class-room and online courses were developed together with the technical units, inter alia in the area of safety management and of bilateral aviation safety agreements (online courses). Planned courses on new regulatory developments were partially developed in line with strategic priorities. Further work towards the implementation of distance learning is foreseen for the future.





In the context of the EASA Virtual Academy, the Agency's focus during this first phase of operations was to work together with the four accredited training organisations to enhance the portfolio of EASA's approved training courses, with 10 new courses in the final approval phase at the end of the year. Further geographical expansion of the Virtual Academy is still under consideration for the future.

Technical training continued to offer a broad range of e-examination services through EASA's Learning Gateway platform. This service is planned to be updated towards a competency-based assessment service in 2017.

Furthermore, the team improved its offer of technical publications and databases under its "technical library" and organised 15 lectures to several universities, provided by EASA trainers from the technical units. The Agency applies its best efforts to keep the related workflows light.

The Support Activities achievements' contributed to priorities: Become global leaders, One-stop shop for all domain-related matters, Efficiency effort to be made, Support to the industry, Strategic alignment with the Juncker Objectives.



## 2. Management

### 2.1 Management Board and Major Developments

The Management Board (MB) plays a key role in steering the work of the Agency. It met twice in 2016, was attended by around 70 external participants and was informed and involved in all major developments, among others activities in the areas of drones, cybersecurity, inspector qualifications, conflict zones, the ongoing work on the revision of the Basic Regulation, the implementation of the Third Country Operators authorisations system and the action plan following the Germanwings accident. A complete list of decisions taken by the Management Board in 2016 can be found in Annex VIII.3.

The MB adopted the European Plan for Aviation Safety 2017-2021 and the Single Programming Document 2017-2020 (SPD; formerly known as Multi-Annual Programming Document (MAP)). The latter document includes the Agency's strategy, multi-annual objectives, work programme 2017 as well as performance indicators and provides a clear link between activities and resources. For planning and resources related matters the MB is assisted by the Programming and Resources Advisory Group, allowing the MB to focus on items of strategic nature and directly related to aviation safety.

### 2.2 Budgetary and financial management

Appropriations authorised in the Agency's initial budget for 2016 totalled €176,479k (2015: €162,026k).

One amending budget was adopted by the Management Board to reflect the 2015 result related to certification activities and to cover increased operational expenditure requirements in the areas of rulemaking, international cooperation and certification systems development. Final available appropriations totalled €193,398k (2015: €185,423k) and were executed as detailed below:

(Thousands of euros)

EXPENDITURES	Initial Budget 2016	Amending Budget 2016	Transfers	Final Budget 2016	Executed Budget 2016
T1 STAFF	85,948	50	1,988	87,986	87,765
T2 BUILDINGS EQUIPMENT	24,982	-116	-507	24,359	24,060
T3 OPERATIONAL	33,881	1,042	-240	34,683	34,098
T4 SPECIAL PROGRAMMES	p.m.	p.m.	p.m.	p.m.	6,077
T5 RESERVE[2]	31,668	15,943	-1,241	46,370	0
<b>TOTAL EXPENDITURES excl. internal assigned</b>	<b>176,479</b>	<b>16,919</b>	<b>0</b>	<b>193,398</b>	<b>151,999</b>

Figures included in this table relate to the published 2016 budget and therefore include only current year appropriations, i.e. C1 & R0. Amounts carried over, i.e. C8 & R8 and internal assigned revenues, i.e. C4 & C5 appropriations are not included.

Table 6: Detailed budget execution 2016

#### Major aspects of the implementation of the budget

As a result of comprehensive in year budget monitoring, the final budget implementation rate for 2016 current year appropriations (C1) was very close to full implementation above 99% (98% in 2015) and well above the Commission target of 95%.

The budget implementation rate in relation to the execution of payments against amounts carried over to 2016 (C8) was above 96% (97% in 2015), also above the Commission target of 95%.

Summary information of budget implementation rates for all funds sources is detailed at Annex 2.



## Budget Result

The combined impact of: lower than expected fees & charges cashed revenue; costs related to the Agency's move to its new premises; payment of the fees and charges staff pension contribution; the maintained high occupancy rate (100%) and the salary adaptation, generated a negative budgetary result of -€7.7M on the fees and charges activity. This loss is deducted from the accumulated surplus bringing it down from €59.9M to €52.3M.

Following the staff cost increase and the need to finance important operational programmes in 2016, the overall result in relation to the subsidy part of the Agency's budget is €1,6M negative.

The detailed budget result account table can be found at Annex 2.

## 2.3 Human Resources management

In the context of the Agency's strategic goals and efficiency, processes have been reviewed to ensure more flexible and efficient staffing processes and to reach out to promote the agency vis-à-vis universities to attract young potentials.

Following the methodology provided by the Network of Agencies, based on the one applied by the EU Commission, EASA performed the screening and benchmarking of posts for the third year.

The result demonstrate a continuous transfer of posts from the Administration categories (Administration and Support, Coordination and Neutral) to Operational.

Job Type (Sub Category)	AGR 2014	AGR 2015	AGR 2016
<b>Administrative Support and Coordination</b>	14.0%	13.8%	12.5%
Administrative Support	11.3%	10.6%	10.2%
Coordination	2.7%	3.2%	2.3%
<b>Operational</b>	78.7%	79.5%	81.0%
Top Level Operational Coordination	1.6%	2.0%	1.4%
Programme Management & Implementation	48.9%	47.6%	50.3%
Evaluation & Impact Assessment	10.9%	11.6%	11.6%
General Operational	17.3%	18.2%	17.7%
<b>Neutral</b>	7.3%	6.7%	6.4%
Finance/Control	6.7%	6.1%	5.8%
Linguistics	0.6%	0.6%	0.6%

Table 7: Result of 2016 benchmarking exercise



The table below shows the breakdown of staff (TAs, CAs, and SNEs) by category and sector by source of funding. The remaining 5.8% comprise jobs occupied by interims or external service providers.

2016	F&C	Subsidy
<b>Administrative Support and Coordination</b>	6.2%	3.0%
Administrative Support	4.6%	2.2%
Coordination	1.6%	0.8%
<b>Operational</b>	50.1%	28.8%
Top Level Operational Coordination	0.9%	0.5%
Programme Management & Implementation	33.4%	15.5%
Evaluation & Impact Assessment	5.1%	6.2%
General Operational	10.7%	6.5%
<b>Neutral</b>	4.1%	2.0%
Finance/Control	3.8%	1.8%
Linguistics	0.3%	0.2%
<b>Total</b>	<b>60.4%</b>	<b>33.8%</b>

Table 8: Result of 2016 benchmarking exercise by category and source of funding

## 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 C1 (current year's budget) and C8 (carry over) were achieved, therefore no penalties will be applied to the 2018 EU Subsidy. The final C1 budget implementation rate for 2016 was above 99% (98% - 2015) and the overall budget implementation rate, remains high at above 99% (99% - 2015).

### Legality and regularity

Ex-ante verification was performed on each of the 26,300 transactions processed by the Agency (22,000 by financial verifying agents and 4,300 by the delegated authorising officer for mission payments). Additionally, in accordance with the ex-post control annual programme, 18 ex-post control exercises were performed during 2016 covering the areas of: yearly ex-post on school allowances, mission reimbursements to external experts, completed procurement procedures (quarterly) and mission expenditure reimbursements (monthly). Overall, the transactions verified were, in all material aspects, legal and regular.

### Validation of the accounting system

In accordance with article 50 of the Agency's Financial Regulation which states that "The Accounting officer shall be responsible in the Agency for laying down and validating the accounting systems and, where appropriate, validating systems laid down by the authorizing officer to supply or justify



accounting information; the accounting officer shall be empowered to verify the respect of validation criteria;" an analysis of the newly deployed integrated Computer Aided Facility Management Tool solution, was performed by a consultant ( BearingPoint). Based on the report conclusions and the accompanying validation report, the Accounting Officer of the Agency officially validated the system in accordance with the guidelines issued by the European Commission (DG BUDG) for evaluation of local accounting systems and of other related support IT systems.

### Procurement procedures

In 2016 the Agency managed over 40 High Value and Middle Value procedures (>€60k) procedures. Additionally, approx. 400 specific contracts (under framework contracts) and 150 low value (€1-60k) contracts were concluded. On conclusion on the European Court of Auditors Audit visit in December 2016 no preliminary findings were given on procurement activities. More details can be found in 1.10.2 and Annex VIII.

### Registration of exceptions

In accordance with EASA Management Standard 20, the Agency has implemented a process for the management and control of exceptions, including the identification of the corrective and/or preventive actions related to nonconformities. To ensure traceability, deviations from rules and/or procedures are documented in an exception request, which is registered in a dedicated exception register. For each request, corrective/preventive actions and risk level are identified prior to approval by the relevant director.

All exceptions raised at Agency level are then reviewed on an annual basis by the Quality Section and a root-cause analysis is performed in order to identify any additional corrective, preventive or improvement action that could prevent reoccurrence. The results of the review is reported to the directors on the occasion of the Management Review.

No significant exception was registered in 2016.

## 2.5 Budget implementation tasks entrusted to other services and entities

*Not applicable*

## 2.6 Assessment of audit results during the reporting year

### 2.6.1 Internal Audit Services (IAS)

The IAS performed two audit engagements in 2016 whereby they assessed the design and the effective and efficient implementation of the management and internal controls systems of the Rulemaking and EPAS activities. During the audit of Rulemaking, no findings classified as "critical" or "very important" were raised by the IAS. The result of which is outlined in Section 2.7 below. The result of EPAS audit is expected in April 2017.

### 2.6.2 Internal Audit Capability (IAC)

The IAC performed three audit assurance engagements across the Agency in 2016, including Social Committee accounts, ATM/ANS & Aerodromes, and Mission Management. The objectives of the



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.

In addition, seven follow up audits were performed on audits carried out in 2015. The purpose of the follow up audits was to assess the status of the agreed actions resulting from the audit, the effectiveness of such and the residual risk associated with the objectives of the activity.

### 2.6.3 European Court of Auditors (ECA)

The preliminary opinion received from the ECA in 2017 was for the 2016 Annual Accounts. 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 2016 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 2015 are legal and regular in all material respects”. Moreover, the Court attracts attention on the financing of the MOVE project and on the accumulated surplus.

### 2.7 Follow up of audit plans, audits and recommendations

As noted in 2.6.3 above, the ECA preliminary opinion was that the 2016 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 are on-going.

The IAS performed a review of Continuing Airworthiness Activities in 2014 and currently four of the seven recommendations have been implemented on time. The three remaining actions are currently in the process of being implemented with final due dates of December 2018. The actions relate to enhancements in the IT Risk Management and security frameworks and Business Continuity.

The main recommendations resulting from IAC audit work in 2016 relate to ATM/ANS & Aerodromes (enhance the planning, monitoring, and reporting system) and Mission Management (enhancing the process measurement system and supplier management). However, none of the recommendations noted for Mission Management were classified as “critical”. The actions are in the process of being completed and will be implemented in the first half of 2017.

### 2.8 Follow up of observations from the discharge authority

The European Parliament (EP) granted to EASA the Discharge 2015 and approved the closure of its annual accounts.

Regarding the observations made by the EP in the Discharge 2014, with respect to some aspects of EASA’s financial and administrative management, EASA has taken the following measures:

- Procurement and recruitment procedures



The Agency acknowledged the comments from the European Court of Audits that enhancement in monitoring EASA's procurement procedures, and follow-up of the contracts implementation, can be achieved.

The organisational evolutions adopted in 2014 & 2015 aimed, amongst others, to deliver a better organisational oversight on procurement. Moreover, in light of the centralisation of low value procurement (1-60K€), in addition to high value procurement (>60K€), during 2013-2014, increased centralised monitoring and control have been established.

Efforts have been also made throughout 2015 and 2016 to improve the level of planning and monitoring. Among others, in order to monitor more closely the status of the procurement procedures and contracts implementation, quarterly budget monitoring exercises as well as ad-hoc procurement planning meetings (where necessary) have been implemented. Moreover, a monthly scoreboard has been put in place to highlight any delays / risk to the implementation and thereby facilitating a closer follow-up of the planning and timely reaction to any potential risks and/or delays.

As requested by the EP, a breakdown of staff by category and sector as well as by source of funding for their activities (fees and charges versus Union subsidies) has been included in the Annual Report for 2016.

- Prevention and management of conflicts of interest and transparency  
Training has been provided to all staff and EASA maintains a Conflict of Interest Register.

Moreover, in the course of 2016, EASA has continued to re-assess and is continuing monitoring its system/control environment in this domain taking due account of the observations of the EP. As main outcome of this exercise, EASA has produced a Code of Conduct including a policy on Conflict of Interest and a declaration of interest for the external experts supporting the work of the Agency.

Furthermore, EASA requests a Statement of Absence of Conflict of Interest for Staff involved in recruitment and carries out an assessment of interest of its suppliers.

With respect to the EASA administrative staff, there are no open verification procedures

No revolving doors cases have been identified by EASA in 2016

Furthermore, EASA's anti-fraud strategy was adopted in December 2014 based on guidelines provided by OLAF. More than 80% of EASA staff was trained on anti-fraud matters by the end of 2016.

- Internal controls  
The remaining actions to address the risks identified by the EASA's Internal Audit Capability in 2014 were assessed in late 2016 and were considered as being implemented
- EASA's Seat Agreement  
EASA and the German Government have finally signed the EASA's Seat Agreement in December 2016.



### 3.0 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 international quality standards (ISO 9001) resulting in 24 EASA Management Standards. These standards were first adopted by the Management Board in 2008. They were revised in 2016 to align with the latest version of the ISO 9001:2015 standards. The updated list of standards was adopted by the Management Board in June 2016.

#### 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 unambiguous 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 Single Programming Document, 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 2016/17:

**Crisis management:** Lack of or inappropriate crisis response in aviation.

Action taken: Initiation of review and prepare performance of a new crisis exercise including communication aspects

**Response to safety issue:** End-to-end assessment of the Agency identification and disposition of safety issues.

Action taken: End-to-end assessment of the Agency identification and disposition of safety issues.

**Standardised safety level in Europe:** Failure to establish, and then maintain, the same level of safety across Europe through safety oversight of Member States.

Action taken: Implemented trend monitoring part of the Continuous Monitoring Approach. Organise jointly thematic workshops for National Aviation Authorities and industry to explain and discuss new Implementing Rules.

**Recruitment and retention of sufficient and competent staff:** Failure to recruit sufficient and competent staff and/or failure to manage the competences of staff members.

Action taken: Usage of assessment centres to improve the assessment of applicant's skills/competencies before hiring.

**Business Continuity:** Failure in providing the capability to respond to incidents and business disruptions in order to continue business operations at an acceptable pre-defined level while protecting welfare and safety.

Action taken: Released a recoverability strategy for priority areas.

No prominent risks materialized in 2016.

#### 3.2 Compliance and effectiveness of Internal Control Standards

The Agency performed the annual assessment of the EASA management standards for the year 2016, which integrate both ICS and ISO standards. The conclusion of this assessment was that the Agency's management system complies with the management standards, thanks to the robust monitoring





system that has been established at both management and process levels. As regards potential improvement, despite some important progress made with the project conducted in 2016, some enhancement must still be performed on business continuity, in order to reach full completion by the end of 2017. Additionally, strong progress has been made in the field of information and document management. The roll out of the Information Management Programme, which aims to include all the processes of the Agency to the Electronic Document Management System, is planned to be completed in 2018. Finally, sensitive functions and related actions are clearly identified through a dedicated policy and list. Nevertheless, it must be ensured that the related implementation actions are systematically documented and recorded.

In order to comply with ISO standards, the annual assessment of the Integrated Management System goes beyond the implementation of each standard in order to also assess the level of monitoring. The full monitoring includes check activities and corrective/improvement actions for continuous improvement purposes.

The integrated management system of the Agency was recertified against ISO 9001:2015 in 2016. The effectiveness of this management system is reviewed on an annual basis by the directors at the Management Review meeting. At this occasion, the results of the integrated management system is presented to the directors and improvement actions are submitted for decision. In 2016, all these activities 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 and managed according to the objectives, risks and KPIs identified. This includes risks linked to fraud. Continuous assessments and improvements regarding compliance with applicable regulations and performance is ensured. The completeness and effectiveness of the integrated management system is reviewed once a year through self-assessment. The results of this assessment are reported to the directors at the Management Review meeting, 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, as well as part of the Agency's planning and reporting cycle. Controls have been implemented through: a robust, internal audit capability, ex post and ex ante controls, exceptions, delegation of power, ethical committee and finally 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;
- audit results from the EASA internal audit capacity;
- 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 control;
- the annual management review letter signed by the Agency Accounting officer together with the Executive Director;
- the ethical committee report.

### 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; necessary improvements and reinforcements are being implemented. The Executive Director, in his capacity as Authorising Officer has signed the Declaration of Assurance without reservation.



## 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.

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**



## Annex I: Core business statistics

### 1. Key Performance Indicators (KPI)

#### Introduction:

This paper contains the performance results of the Agency for the cumulated Q1-Q3 2016, measured via the performance indicators set out in the 2016 Work Programme. Each KPI is evaluated based on a Red-Amber-Green (RAG) rating system, having equal weight. As of 2017 the new set of KPIs will be measured, as discussed during the last PAR in October.

In order to arrive at the results for the 2016 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

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
















**2.1 Indicator: % of implementation of the Rulemaking Work Programme (RWP; only considering the task R committed for during the Year N of the adopted Rulemaking work Programme)**

The total output of opinions and decisions is 38 out of 50 or the KPI achieved amounts to 76%. This achievement considers 13 non-planned opinions and decisions. Comparing to plan the KPI is at 50%. The output was increased by 12% from 2015 (34) to 2016 (38). This indicates that the planned volume needs to become more conservative.

Quality improvements (technical or legal) (44%), re-prioritisation of tasks (28%) and external developments outside EASAs control (12%) are accounting for 84% of delays in the publication of opinions and decisions.



KEY PERFORMANCE AREA	EASA ACTIVITY AREAS			
	Certification & Approvals	Regulation	Standardisation	Support
<b>Process/ Effectiveness</b>	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 
<b>Stakeholders/ Customers</b>	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 
<b>Resources</b>	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 
<b>Employees, learning and growth</b>	13. Efficiency of human resources management and the development of staff 			



KEY PERFORMANCE AREA	EASA ACTIVITY AREAS																																																																																																												
	Certification & Approvals	Regulation	Standardisation	Support																																																																																																									
Process/ Effectiveness	<p><i>Aim: Ensure an acceptable level of continuing airworthiness oversight</i></p> <p><b>1.1 Indicator: Number of yearly technical working hours performed as a percentage of planned hours (CAWR).</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>71%</td> <td>83%</td> <td>84%</td> <td>Green</td> </tr> </tbody> </table> <p><i>Aim: Ensure the certification and approval process is performed in a timely manner</i></p> <p><b>1.2 Indicator: % of positive feedback received through stakeholders feedback questionnaires after completion of the various certification tasks.</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>N/A</td> <td>75%</td> <td>69%</td> <td>Green</td> </tr> <tr> <td>Response rate</td> <td></td> <td></td> <td>33%</td> <td></td> </tr> </tbody> </table> <p>Note: Survey concerning 2016 has not yet been Completed. The 2016 results displayed, concern 2015. These results were first published 2016.</p>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	71%	83%	84%	Green		2015 Result	2016 Target	2016 Result	RAG Rating	2016	N/A	75%	69%	Green	Response rate			33%		<p><i>Aim: Implement rulemaking work programme</i></p> <p><b>2.1 Indicator: % of implementation of the Rulemaking Work Programme (RWP) (only considering the task R committed for during the Year N of the adopted Rulemaking work Programme)</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>89%</td> <td>95%</td> <td>76%* 50%</td> <td>Red</td> </tr> </tbody> </table> <p>*includes 13 deliverables, which are not part of the RWP</p> <p><i>Aim: For EASA to discharge its obligations under the Basic Regulation to assist Member States in fulfilling their obligations under the Chicago Convention</i></p> <p><b>2.2 Indicator: % of State Letter recommendations provided on time.</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>92%</td> <td>90%</td> <td>91%</td> <td>Green</td> </tr> </tbody> </table> <p><i>Aim: Efficiency of the rulemaking process and involvement of stakeholder</i></p> <p><b>2.3 Indicator: % of positive feedback received from stakeholders on the rulemaking process and its outcome.</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>63%</td> <td>65%</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table> <p>Note: Bi-annual survey, results will be published 2017</p>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	89%	95%	76%* 50%	Red		2015 Result	2016 Target	2016 Result	RAG Rating	2016	92%	90%	91%	Green		2015 Result	2016 Target	2016 Result	RAG Rating	2016	63%	65%	N/A	N/A	<p><i>Aim: Efficiency and effectiveness of the Standardisation Inspection Programme</i></p> <p><b>3.1 Indicator: % of achieved visits against the approved Standardisation Inspection Programme</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>108%</td> <td>95%</td> <td>94%</td> <td>Green</td> </tr> </tbody> </table> <p><b>3.2 Indicator: % of Final Inspection Reports delivered to Member States within 10 weeks of the completion of the Inspection</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>79%</td> <td>95%</td> <td>97%</td> <td>Green</td> </tr> </tbody> </table>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	108%	95%	94%	Green		2015 Result	2016 Target	2016 Result	RAG Rating	2016	79%	95%	97%	Green	<p><i>Aim: Improve the efficiency and effectiveness of support processes</i></p> <p><b>4.1 Indicator: % of working hours allocated to support tasks agency-wide versus total hours (actual versus planned)</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>27%</td> <td>24%</td> <td>27%</td> <td>Yellow</td> </tr> </tbody> </table> <p><i>Aim: Improve the efficiency of the debt recovery process</i></p> <p><b>4.2 Indicator: Average number of days to cash recovery orders</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>41 days</td> <td>≤ 45 days</td> <td>35 days</td> <td>Green</td> </tr> </tbody> </table> <p><i>Aim: Improve the Agency response to formal safety recommendations</i></p> <p><b>4.3 Indicator: % of new safety recommendations answered (i.e. actions decided &amp; planned) in not more than 90 days</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>95.2%</td> <td>97.5%</td> <td>96.4%</td> <td>Green</td> </tr> </tbody> </table>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	27%	24%	27%	Yellow		2015 Result	2016 Target	2016 Result	RAG Rating	2016	41 days	≤ 45 days	35 days	Green		2015 Result	2016 Target	2016 Result	RAG Rating	2016	95.2%	97.5%	96.4%	Green
		2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																								
	2016	71%	83%	84%	Green																																																																																																								
		2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																								
2016	N/A	75%	69%	Green																																																																																																									
Response rate			33%																																																																																																										
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																									
2016	89%	95%	76%* 50%	Red																																																																																																									
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																									
2016	92%	90%	91%	Green																																																																																																									
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																									
2016	63%	65%	N/A	N/A																																																																																																									
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																									
2016	108%	95%	94%	Green																																																																																																									
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																									
2016	79%	95%	97%	Green																																																																																																									
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																									
2016	27%	24%	27%	Yellow																																																																																																									
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																									
2016	41 days	≤ 45 days	35 days	Green																																																																																																									
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																																																									
2016	95.2%	97.5%	96.4%	Green																																																																																																									
<b>EASA ACTIVITY AREAS</b>																																																																																																													

KEY PERFORMANCE AREA	Certification & Approvals	Regulation	Standardisation	Support																																																																						
Stakeholders / Customers	<p><i>Aim: Stakeholder (Industry) satisfaction</i></p> <p><b>5.1 Indicator: % of positive feedback received through stakeholders feedback questionnaires after completion of the various certification tasks</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>75%</td> <td>76%</td> <td>75%</td> <td></td> </tr> <tr> <td>Response rate</td> <td></td> <td></td> <td>33%</td> <td></td> </tr> </tbody> </table> <p>Note: Survey concerning 2016 has not yet been Completed. The 2016 results displayed, concern 2015. These results were first published 2016</p>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	75%	76%	75%		Response rate			33%		<p><i>Aim: Stakeholder satisfaction</i></p> <p><b>6.1 Indicator: % of positive feedback on the process and the outcome of the stakeholder consultation</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>63%</td> <td>65%</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table> <p>Note: Bi-annual survey, results will be published 2017</p>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	63%	65%	N/A	N/A	<p><i>Aim: Stakeholder satisfaction</i></p> <p><b>7.1 Indicator: Standardisation stakeholder feedback for Preparatory phase and Visiting phase</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>N/A</td> <td>good</td> <td>good*</td> <td></td> </tr> <tr> <td>Response rate</td> <td></td> <td></td> <td>78%</td> <td></td> </tr> </tbody> </table> <p>Note: *the satisfaction rate was 87%. Reported are the results published in 2016.</p>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	N/A	good	good*		Response rate			78%		<p><i>Aim: Timeliness in the execution of key administrative tasks</i></p> <p><b>8.1a Indicator: % of applications for initial airworthiness certification related activities processed to task allocation within 5 working days from application receipt</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>79%</td> <td>≥ 80%</td> <td>82%</td> <td></td> </tr> </tbody> </table> <p><b>8.1b Indicator: % of certificates issued within 2 working days from technical visa receipt</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>94%</td> <td>≥ 90%</td> <td>92%</td> <td></td> </tr> </tbody> </table> <p><b>8.2 Indicator: % of initial invoices prepared within 2 working days after the release of the project.</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>82%</td> <td>≥ 80%</td> <td>88%</td> <td></td> </tr> </tbody> </table>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	79%	≥ 80%	82%			2015 Result	2016 Target	2016 Result	RAG Rating	2016	94%	≥ 90%	92%			2015 Result	2016 Target	2016 Result	RAG Rating	2016	82%	≥ 80%	88%	
		2015 Result	2016 Target	2016 Result	RAG Rating																																																																					
2016	75%	76%	75%																																																																							
Response rate			33%																																																																							
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																						
2016	63%	65%	N/A	N/A																																																																						
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																						
2016	N/A	good	good*																																																																							
Response rate			78%																																																																							
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																						
2016	79%	≥ 80%	82%																																																																							
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																						
2016	94%	≥ 90%	92%																																																																							
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																						
2016	82%	≥ 80%	88%																																																																							
Resources*	<p><i>Aim: Budget adherence</i></p> <p><b>9.1 Indicator: Actual budget versus planned budget</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Q1-Q3 Result</th> <th>2016 Target</th> <th>2016 Q1-Q3 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>		2015 Q1-Q3 Result	2016 Target	2016 Q1-Q3 Result	RAG Rating	2016	N/A	N/A	N/A	N/A	<p><i>Aim: Budget adherence</i></p> <p><b>10.1 Indicator: Actual budget versus planned budget</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Q1-Q3 Result</th> <th>2016 Target</th> <th>2016 Q1-Q3 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>		2015 Q1-Q3 Result	2016 Target	2016 Q1-Q3 Result	RAG Rating	2016	N/A	N/A	N/A	N/A	<p><i>Aim: Budget adherence</i></p> <p><b>11.1 Indicator: Actual budget versus planned budget</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Q1-Q3 Result</th> <th>2016 Target</th> <th>2016 Q1-Q3 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>		2015 Q1-Q3 Result	2016 Target	2016 Q1-Q3 Result	RAG Rating	2016	N/A	N/A	N/A	N/A	<p><i>Aim: Maintain high budget implementation rate</i></p> <p><b>12.1 Indicator: % of executed commitments compared to the forecast considering the whole annual budget</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>98%</td> <td>≥95%</td> <td>99%</td> <td></td> </tr> </tbody> </table>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	98%	≥95%	99%																															
	2015 Q1-Q3 Result	2016 Target	2016 Q1-Q3 Result	RAG Rating																																																																						
2016	N/A	N/A	N/A	N/A																																																																						
	2015 Q1-Q3 Result	2016 Target	2016 Q1-Q3 Result	RAG Rating																																																																						
2016	N/A	N/A	N/A	N/A																																																																						
	2015 Q1-Q3 Result	2016 Target	2016 Q1-Q3 Result	RAG Rating																																																																						
2016	N/A	N/A	N/A	N/A																																																																						
	2015 Result	2016 Target	2016 Result	RAG Rating																																																																						
2016	98%	≥95%	99%																																																																							
<b>EASA ACTIVITY AREAS</b>																																																																										



KEY PERFORMANCE AREA	Certification & Approvals	Regulation	Standardisation	Support																														
Resources	<p><i>Aim: Internalise certification tasks in line with internalisation policy</i></p> <p><b>9.2 Indicator: Internal hours performed as a % of total hours (actual versus planned)</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>86%</td> <td>78%</td> <td>89%</td> <td style="background-color: #92d050;"></td> </tr> </tbody> </table>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	86%	78%	89%		<p><i>Aim: Split of time spend on production of rules and supporting processes</i></p> <p><b>10.2 Indicator: Number of FTE spent on production of rules and FTE spent on support to rules</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>53 FTE</td> <td>45 FTE</td> <td>48 FTE</td> <td style="background-color: #92d050;"></td> </tr> </tbody> </table>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	53 FTE	45 FTE	48 FTE			<p><i>Aim: Monitor support costs in comparison to total costs</i></p> <p><b>12.2 Indicator: % of support costs versus the total costs</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>21%</td> <td>22%</td> <td>20%</td> <td style="background-color: #92d050;"></td> </tr> </tbody> </table>		2015 Result	2016 Target	2016 Result	RAG Rating	2016	21%	22%	20%	
		2015 Result	2016 Target	2016 Result	RAG Rating																													
2016	86%	78%	89%																															
	2015 Result	2016 Target	2016 Result	RAG Rating																														
2016	53 FTE	45 FTE	48 FTE																															
	2015 Result	2016 Target	2016 Result	RAG Rating																														
2016	21%	22%	20%																															
Employees, learning and growth	<p><i>Aim: Improve the efficiency of technical staff.</i></p> <p><b>13. Indicator: number of technical hours (project work) as % of total hours</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>58%</td> <td>70%</td> <td>58%</td> <td style="background-color: #ffc107;"></td> </tr> </tbody> </table>					2015 Result	2016 Target	2016 Result	RAG Rating	2016	58%	70%	58%																					
		2015 Result	2016 Target	2016 Result	RAG Rating																													
	2016	58%	70%	58%																														
	<p><i>Aim: Learning organisation</i></p> <p><b>13.1a Indicator: % of positive feedback from staff with regard to training</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>92%</td> <td>≥ 80%</td> <td>95%</td> <td style="background-color: #92d050;"></td> </tr> </tbody> </table>			2015 Result	2016 Target	2016 Result	RAG Rating	2016	92%	≥ 80%	95%		<p><b>13.1b Indicator: Average occupancy rate against the establishment plan over the year</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>N/A</td> <td>≥ 97%</td> <td>98.3%</td> <td style="background-color: #92d050;"></td> </tr> </tbody> </table>			2015 Result	2016 Target	2016 Result	RAG Rating	2016	N/A	≥ 97%	98.3%											
	2015 Result	2016 Target	2016 Result	RAG Rating																														
2016	92%	≥ 80%	95%																															
	2015 Result	2016 Target	2016 Result	RAG Rating																														
2016	N/A	≥ 97%	98.3%																															
<p><b>13.2 Indicator: Number of training days per member of staff</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>4.3</td> <td>≥ 5 days</td> <td>4.63</td> <td style="background-color: #92d050;"></td> </tr> </tbody> </table>			2015 Result	2016 Target	2016 Result	RAG Rating	2016	4.3	≥ 5 days	4.63		<p><b>13.3 Indicator: Average Number of Sick Days per Full Time Equivalent</b></p> <table border="1"> <thead> <tr> <th></th> <th>2015 Result</th> <th>2016 Target</th> <th>2016 Result</th> <th>RAG Rating</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>1.9</td> <td>≤ 9 days</td> <td>1.3</td> <td style="background-color: #92d050;"></td> </tr> </tbody> </table>			2015 Result	2016 Target	2016 Result	RAG Rating	2016	1.9	≤ 9 days	1.3												
	2015 Result	2016 Target	2016 Result	RAG Rating																														
2016	4.3	≥ 5 days	4.63																															
	2015 Result	2016 Target	2016 Result	RAG Rating																														
2016	1.9	≤ 9 days	1.3																															
<p>Note: No quarterly target defined, hence RAG Rating is only valid at the end of the year</p>																																		

## 2. Decision, Opinions and Notice of Proposed Amendments (NPAs) in 2016

### a) Decisions

Title of official publication	Task Number	Old Reference	Task Title	Affected Stakeholders
ED Decision 2016/001/R	RMT.0083	34.003	Update CS 34 to refer to the Environmental Technical Manual on Emissions Certification as amended after CAEP/9.	Design and production organisations
ED Decision 2016/002/R	RMT.0086	36.007	Update CS 36 to refer to the Environmental Technical Manual on Noise Certification as amended after CAEP/9.	Design and production organisations
ED Decision 2016/003/R	RMT.0172		Implementation of CAEP 9 amendments	Design and production organisations
ED Decision 2016/004/R	RMT.0269	MDM.072(a)&(b)	Carriage of Special Categories of Passengers (SCPs)	Operators
ED Decision 2016/005/R	RMT.0515	27&29.027	Helicopter H-V Limitation	Helicopter operators
ED Decision 2016/006/R	RMT.0456		Integrated modular avionics (IMA)	ETSOA holders
ED Decision 2016/007/R	RMT.0607	21.039(b)	Acceptable Means of Compliance (AMC) and Guidance Material (GM) to Part-21 for changes to Operational Suitability Data (OSD)	DAHs
ED Decision 2016/008/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/009/R	RMT.0589		Rescue and firefighting services (RFFS) at aerodromes	Aerodrome operators
ED Decision 2016/010/R	RMT.0572		Use of comparative analysis when showing compliance with SLD icing specifications	DAHs
ED Decision 2016/010/R	RMT.0673		Regular update of CS-25	DAHs
	RMT.0222	MDM.020	Critical maintenance tasks	Operators; Member States; maintenance organisations



ED Decision 2016/011/R	RMT.0244		Alignment of Regulation No (EC) 2042/2003 with Regulation (EC) No 216/2008 and with ICAO Annex 6 requirement for human factor principles to be observed in the design and application of the aircraft maintenance programme	Operators; Member States; maintenance organisations
ED Decision 2016/012/R	RMT.0400	OPS.090(A) & RMT.0401 OPS.090(B)	Amendment of requirements for flight recorders and underwater locating devices	Aircraft operators; aircraft manufacturers; flight crew members; safety investigation authorities; national aviation authorities
ED Decision 2016/013/R	RMT.0206	ETSO.011	Systematic review and transposition of existing FAA TSO standards for parts and appliances into EASA ETSOs	ETSOA holders
ED Decision 2016/014/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/015/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/016/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/017/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/018/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/019/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/020/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/021/R	RMT.0256	& RMT.0257 (MDM.062(A) & (B))	Revision of operational approval criteria for performance-based navigation	Commercial and non-commercial aircraft operators; pilots; approved training organisations (ATOs); examiners; instructors
ED Decision 2016/022/R	RMT.0409	OPS.093(A)	Helicopter offshore operations	Helicopter offshore operators

ED Decision 2016/023/R	RMT.0609	ATM.001(A) & RMT.0610 ATM.001(B)	Acceptable Means of Compliance and Guidance Material to Commission Regulation (EU) 2015/XXX laying down the common rules of the air and operational provisions regarding services and procedures in air navigation (SERA Part C)	ANSPs, indirectly; Competent Authorities, operators, pilots
ED Decision 2016/024/R	RMT.0119	27.29.003	Yawing conditions	DAHs
ED Decision 2016/025/R	RMT.0134	27&29.029	Rotorcraft AMC revision	DAHs
ED Decision 2016/026/R	RMT.0119	27.29.003	Yawing conditions	DAHs
ED Decision 2016/027/R	RMT.0591		Maintaining aerodromes rules	Aerodromes and aerodrome operators
ED Decision 2016/028/R	RMT.0583	MDM.003(a)	A-NPA on flight test engineer (FTE) licensing	Flight test engineer
ED Decision 2016/029/R	RMT.0457		Regular update of EASA TSOs	ETSOA holders

## b) Opinions

Title of official publication	Task Number	Old Reference	Task Title	Affected Stakeholders
Opinion 01/2016	RMT.0674		Revision of the European operational rules for balloons	(Balloon) operators other than airlines
Opinion 02/2016	RMT.0069	26.002	Seat crashworthiness improvement on large aeroplanes — Dynamic testing 16g	CAT operators and manufacturers
Opinion 03/2016	RMT.0591		Maintaining aerodromes rules	Aerodromes and aerodrome operators
Opinion 04/2016	RMT.0071	26.004	Additional airworthiness specifications for operations: Thermal/acoustic insulation material	Operators and manufacturers
Opinion 05/2016	RMT.0547		Task force for the review of Part-M for General Aviation (PHASE II)	Operators other than airlines and GA



Opinion 06/2016	RMT.0251	MDM.055	Embodiment of safety management system requirements into Commission Regulations (EU) Nos 1321/2014 and 748/2012	CAMOs, MOs, POA, DOA, TOs, and national aviation authorities (NAAs)
Opinion 07/2016	RMT.0262	MDM.060	Embodiment of level of involvement (LOI) requirements into Part-21	Design Approval holders
Opinion 08/2016	RMT.0560		Halon — Update of Part-26 to comply with ICAO standards	Operators and maintenance organisations - large aircraft operators and manufacturers
Opinion 09/2016	RMT.0287	MED.001(a)&(b)	Updating Part-MED and related AMC and GM	Pilots, aero-medical centres (AeMCs), aeromedical examiners (AMEs), and NAAs
Opinion 09/2016	RMT.0700		Germanwings task force	Pilots, AMEs, AeMCs, competent authorities
Opinion 10/2016	RMT.0639		Performance-based navigation implementation in the European air traffic management network	ANSPs, operators
Opinion 11/2016	RMT.0657		Review of the Aircrew Regulation in order to provide a system for private pilot training outside approved training organisations, and of the associated acceptable means of compliance and guidance material	Pilots, instructors, examiners, and NAAs
Opinion 12/2016	RMT.0225	MDM.028 (a)	Development of an ageing aircraft structure plan	DAHs and operators
Opinion 13/2016	RMT.0276	MDM.076	Technical records	Operators and CAMOs
Opinion 14/2016	RMT.0700		Germanwings task force	Pilots, AMEs, AeMCs, competent authorities
Opinion 15/2016	RMT.0371		TAWS operation in IFR and VFR and TAWS for turbine-powered aeroplanes under 5 700 kg MTOM able to carry six to nine passengers	Operators
Opinion 16/2016	RMT.0587		Regular update of Part-FCL	Pilots, instructors, examiners, and ATOs



**c) Notice of Proposed Amendments (NPAs)**

Title of official publication	Task Number	Old Reference	Task Title	Affected Stakeholders
Focussed Consultation	RMT.0674		Revision of the European operational rules for balloons	(Balloon) operators other than airlines
NPA 2016-01	RMT.0120	27&29.008	Helicopter ditching and water impact occupant survivability	DAHs and operators
NPA 2016-02	RMT.0477		Technical requirements and operational procedures for aeronautical information services and aeronautical information management	ANSPs and operators
NPA 2016-03	RMT.0595		Technical review and regular update of learning objectives and syllabi for commercial licences (IR)	Competent authorities; ATOs; student pilots; providers of textbooks and training materials; ECQB
NPA 2016-04	RMT.0591		Maintaining aerodromes rules	Aerodromes and aerodrome operators
NPA 2016-05	RMT.0498		Reorganisation of Part-23 and CS-23	GA DAHs
NPA 2016-06	RMT.0573		Fuel planning and management	Operators
NPA 2016-07	RMT.0673		Regular update of CS-25	DAHs
NPA 2016-08	RMT.0278	MDM.078	Importing of aircraft from other regulatory system, and Part-21 Subpart H review	Operators and NAAs
NPA 2016-09	RMT.0464		Requirements for air traffic services	MS; CAs; ANSPs; ATCOS; aircraft operators; professional organisations; trade unions; pilots; passengers
NPA 2016-10	RMT.0591		Maintaining aerodromes rules	Aerodromes and aerodrome operators
NPA 2016-11	RMT.0296	OPS.008 (a)	Review of aeroplane performance requirements for CAT operations	CAT aeroplane operators
NPA 2016-12	RMT.0601		Transposition of provisions on electronic flight bag from ICAO Annex 6	competent authorities and operators
NPA 2016-13	RMT.0445		Technical requirements and operational procedures for airspace design, including procedure design	ANSPs and operators
NPA 2016-14	RMT.0677		Easier access of General Aviation (GA) pilots to instrument flight rules (IFR) flying	Pilots, instructors, examiners, and ATOs



NPA 2016-15	RMT.0252	MDM.056	Instructions for continuing airworthiness (ICA)	Operators and manufacturers
NPA 2016-16	RMT.0587		Regular update of Part-FCL	Pilots, instructors, examiners, and ATOs
NPA 2016-17	RMT.0690		Regular update of Certification Specifications for standard changes & standard repairs (CS-STAN) — Phase 2	Operators other than airlines, MOs, and maintenance engineers or mechanics
NPA 2016-18	RMT.0369	OPS.077	Prediction of wind shear for aeroplane CAT operations (IRs)	CAT aeroplane operators
NPA 2016-19	RMT.0681		Alignment of implementing rules & AMC/GM with Regulation (EU) No 376/2014	Operators, pilots, MOs, ATOs, manufacturers, CAMOs, aerodrome operators, ATM/ANS service providers, and ATCO TOs
NPA 2016-20	RMT.0541		Aircraft Type Ratings for Part-66 Aircraft Maintenance License	Maintenance Engineers / Mechanics / MTOs, MOs / Competent Authority



### 3. Studies and research projects

The following table provides the list of research projects completed and those initiated in 2016

Title	Main area	Short description	Budget (kEUR)	Duration (months)	Status
High-altitude icing	Commercial Transport	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	200 (EASA)	12	On-going
Characterisation of the toxicity of aviation turbine engine oils after pyrolysis	Commercial Transport	characterise the toxicity of typical aviation turbine engine/APU oil fumes/smokes after it goes through the pyrolysis process in the engine/APU and bleed air system	225 (EASA)	12	Completed
Preliminary Cabin Air Quality Measurement Campaign	Commercial Transport	measurement campaign setting the scene for a large-scale measurement campaign on-board commercially operated large transport aeroplanes	380 (EASA)	30	Completed
Helicopter North Sea Operations Management	Rotorcraft	identify review, analyse and list the best current operational practices for offshore helicopter operations namely amongst the North Sea offshore operators	135 (EASA)	10	Completed
Startle Effect Management	Commercial Transport	identify the main training requirements for mitigating the effect and impact on CAT Pilots of surprise and startle during unexpected in-flight events (potentially leading to loss of control)	320 (EASA)	11	Completed
Disbond of Sandwich Structure	Commercial Transport	understanding the pressure related Ground-Air-Ground (GAG) cycle behaviour of thin skin sandwich structures	150 (EASA)	12	On-going
Cybersecurity threat impact assessment	Commercial Transport	establish the impact on safety of flight of several information security threats, taking into account parameters like pilots' awareness, types of operation and Air Traffic Management (ATM).	200 (EASA)	12	On-going
Cabin air quality	Commercial Transport	Investigation of the quality level of the air inside the cabin of large transport aeroplanes and its health implication	1950 (EC)	24	On-going



Effectiveness of Flight Time Limitations	Commercial Transport	Assess the effectiveness of the provisions concerning flight and duty time limitations and rest requirements contained in Annexes II and III of EU FTL Regulation	1950 (EC)	36	On-going
Safe transport of lithium battery by air	Commercial Transport	Study a series of mitigating measures that can be used to enhance safety when transporting lithium metal and lithium ion batteries on board an aircraft	1000 (EC)	26	Launch planned in 2017



## Annex II: Statistics on financial management <sup>26</sup>

2016 Budget Implementation - All Fund Sources  
(thousands of euros)

C1 - Current year appropriations								
Title	Final Budget	Executed Commitment Amount	% Committed	Cancelled Appropriations	Executed Payment Amount	% Paid	Carried over to 2017	
	(1)	(2)	(2)/(1)	(1)-(2)	(3)	(3)/(1)	(2)-(3)	
Total Title 1 - STAFF	79,862	79,644	100%	218	79,361	99%	283	
Total Title 2 - BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	24,354	24,058	99%	296	18,230	75%	5,827	
Total Title 3 - OPERATIONAL EXPENDITURE	8,138	7,998	98%	140	4,873	60%	3,125	
<b>Grand Total</b>	<b>112,354</b>	<b>111,700</b>	<b>99%</b>	<b>654</b>	<b>102,464</b>	<b>91%</b>	<b>9,235</b>	

*C1 Current year appropriations - the majority of EASA's budget lines are funded by a combination of F&C revenue and the EU subsidy, the C1 funds source is used for appropriations for the year financed by the EU subsidy as well as appropriations financed by both EU subsidy and external assigned revenue from fees & charges.*

R0 - External Assigned Revenue Current year appropriations								
Title	Final Budget	Executed Commitment Amount	% Committed	Cancelled Appropriations/ Reserve	Executed Payment Amount	% Paid	Carried over to 2017	
	(1)	(2)	(2)/(1)	(1)-(2)	(3)	(3)/(1)	(2)-(3)	
Total Title 1 - STAFF	8,124	8,121	100%	3	8,121	100%	-	
Total Title 2 - BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	5	2	42%	3	2	42%	-	
Total Title 3 - OPERATIONAL EXPENDITURE	26,545	26,099	98%	446	15,215	57%	10,884	
Total Title 4 - SPECIAL OPERATION PROGRAMMES	10,822	6,077	56%	4,745	3,733	34%	2,344	
<b>Grand Total</b>	<b>45,496</b>	<b>40,300</b>	<b>89%</b>	<b>5,197</b>	<b>27,072</b>	<b>60%</b>	<b>13,228</b>	

*The R0 fund source is used for external assigned revenues related purely to fees & charges activities as well as external assigned revenues related to special operations programmes funded by, inter alia, other Commission DGs (Grants & delegation agreements mainly for International Technical Cooperation projects).*

C4 - Internal Assigned Revenue Current year appropriations								
Title	Amounts received 2016_C4	Executed Commitment Amount	% Committed	Carried Over Appropriations	Executed Payment Amount	% Paid	Carried over to 2017	
	(1)	(2)	(2)/(1)	(1)-(2)	(3)	(3)/(1)	(2)-(3)	
Total Title 1 - STAFF	21	2	11%	19	2	11%	-	
Total Title 3 - OPERATIONAL EXPENDITURE	266	3	1%	263	1	0%	3	
<b>Grand Total</b>	<b>287</b>	<b>5</b>	<b>2%</b>	<b>282</b>	<b>3</b>	<b>1%</b>	<b>3</b>	

*C4 internal assigned revenue relates mainly to income received from participants to EASA organised events.*

C5 - Internal Assigned Revenue carried over appropriations								
Title	Amounts received 2016_C5	Executed Commitment Amount	% Committed	Cancelled Appropriations	Executed Payment Amount	% Paid	Carried over to 2017	
	(1)	(2)	(2)/(1)	(1)-(2)	(3)	(3)/(1)	(2)-(3)	
Total Title 1 - STAFF	12	12	100%	-	12	100%	-	
Total Title 3 - OPERATIONAL EXPENDITURE	429	304	71%	125	304	71%	-	
<b>Grand Total</b>	<b>442</b>	<b>316</b>	<b>72%</b>	<b>125</b>	<b>316</b>	<b>72%</b>	<b>-</b>	

*C5 internal assigned revenue relates mainly to income received from participants to EASA organised events carried over from the previous year.*

C8 - Carried over from previous year				
Title	Carried over amount	Executed Payment Amount	% Paid	Cancelled Appropriations
	(1)	(2)	(2)/(1)	(1)-(2)
Total Title 1 - STAFF	358	347	97%	11
Total Title 2 - BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	4,393	4,328	99%	65
Total Title 3 - OPERATIONAL EXPENDITURE	1,978	1,807	91%	171
<b>Grand Total</b>	<b>6,729</b>	<b>6,482</b>	<b>96%</b>	<b>247</b>

*EU subsidy and mixed funded appropriations carried over from the previous year.*

R8 - External assigned revenue carried over from previous year				
Title	Carried over amount	Executed Payment Amount	% Paid	Cancelled Appropriations
	(1)	(2)	(2)/(1)	(1)-(2)
Total Title 1 - STAFF	2	2	100%	0
Total Title 2 - BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	151	143	95%	8
Total Title 3 - OPERATIONAL EXPENDITURE	9,375	5,438	58%	3,937
Total Title 4 - SPECIAL OPERATION PROGRAMMES	2,513	1,761	70%	752
<b>Grand Total</b>	<b>12,042</b>	<b>7,344</b>	<b>61%</b>	<b>4,698</b>

*The R8 fund source is used for external assigned revenues related purely to fees & charges activities as well as external assigned revenues related to special operations programmes funded by, inter alia, other Commission DGs (Grants & delegation agreements mainly for International Technical Cooperation projects) carried over from the previous year.*

<sup>26</sup> The final report from the European Court of Auditors on the EASA 2016 accounts is expected to be received in June 2017.

**BUDGET RESULT ACCOUNT - 2016**

(thousands of euros)

REVENUE	2016	2015	Variance
Fee income (Fees & Charges)	93,059	101,615	-8%
European Union Subsidy	36,370	36,370	0%
Third Countries Contribution (EU)	961	1,058	-9%
Third Countries Contribution (Switzerland)	1,103	1,103	0%
Delegation agreements & Grants	7,250	8,133	-11%
Financial interests (Fees & Charges)	175	172	2%
Financial interests (Subsidy)	0	14	-100%
Parking and others (Fees & Charges)	379	460	-18%
Parking and others (Subsidy)	235	259	-9%
Services rendered against payment	0	210	-100%
Internal Assigned Revenue	287	456	-37%
<b>TOTAL REVENUE</b>	<b>139,819</b>	<b>149,849</b>	<b>-7%</b>
EXPENDITURE			
<b>Title I: Staff</b>			
Payments	87,499	73,872	18%
Appropriations carried over	302	373	-19%
<b>Title II: Administrative Expenses</b>			
Payments	18,375	17,406	6%
Appropriations carried over	5,827	4,544	28%
<b>Title III: Operating Expenditure</b>			
Payments	25,831	25,429	2%
Appropriations carried over	14,274	11,782	21%
<b>Title IV: Earmarked projects</b>			
Payments	5,494	4,458	23%
Appropriations carried over	1,756	3,676	-52%
<b>TOTAL EXPENDITURE</b>	<b>159,358</b>	<b>141,540</b>	<b>13%</b>
Result before carry over not used	-19,539	8,309	-335%
Cancellation of unused payment appropriations carried over from previous year	247	200	23%
Adjustment of Assigned Revenue carried over	9,970	10,435	-4%
Exchange differences for the year (gain +/-loss -)	9	-29	-131%
<b>RESULT OF THE YEAR</b>	<b>-9,314</b>	<b>18,915</b>	<b>-149%</b>
<b>Related to Subsidy Activities</b>	<b>-1,655</b>	<b>1,997</b>	<b>-183%</b>
<b>Related to Fees and Charges Activities</b>	<b>-7,658</b>	<b>16,919</b>	<b>-145%</b>
<b>Total</b>	<b>-9,314</b>	<b>18,915</b>	<b>-149%</b>
<b>Accumulated surplus on Fees and Charges Activities</b>			
Accumulated surplus from previous year	59,965	43,046	39%
Adjustment of accumulated provision	-7,658	16,919	-145%
<b>Accumulated Surplus</b>	<b>52,307</b>	<b>59,965</b>	<b>-13%</b>
Expenditure figures relate to fund sources C1 (current year appropriations), C4 (intrenal assigned revenues), C5 (internal assigned revenues caried over), R0 (external assigned revenues) & R8 (external assigned revenues carried over from previous years, but exclude R8 appropriations carried over from previous years for earmarked projects (i.e. R8, Title 4)			
Assigned revenue appropriations carried over from previous years are reversed under 'Adjustment of assigned revenue carried over' and replaced by actual payments made during 2016 included in the 'expenditure' block			
The cancellation of unused payment appropriations carried over from the previous year (C8) are reflected separately			

**Budget Transfers and Amending Budgets:**

66 transfers, totalling €11,157k, and one amending budget were carried out during 2016.

**The most significant transfers were:**

- €4,084k transferred to title 1 (Staff) from all titles to cover the salary increase resulting from the application of the “automatic” annual updating of remunerations and pensions;
- A local transfer of €700k within the certification outsourcing budget was necessary to align outsourcing requirements with workload carried out by respective certification service providers (CSPs);



- A transfer of €670k from the fees & charges reserve to cover additional certification outsourcing requirements;
- Transfers of €630k and €405k within title 2 budget lines (Administrative costs) in order to realign IT investment priorities.

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

One amending budget was necessary to reflect the 2015 result related to certification activities and to cover increased operational expenditure requirements in the areas of rulemaking, international cooperation and certification systems development.

**Late payment interest**

Late payment interest paid in 2016 amounted to a total of €8,841 (2015, €11,188).



### Annex III: Organisational chart

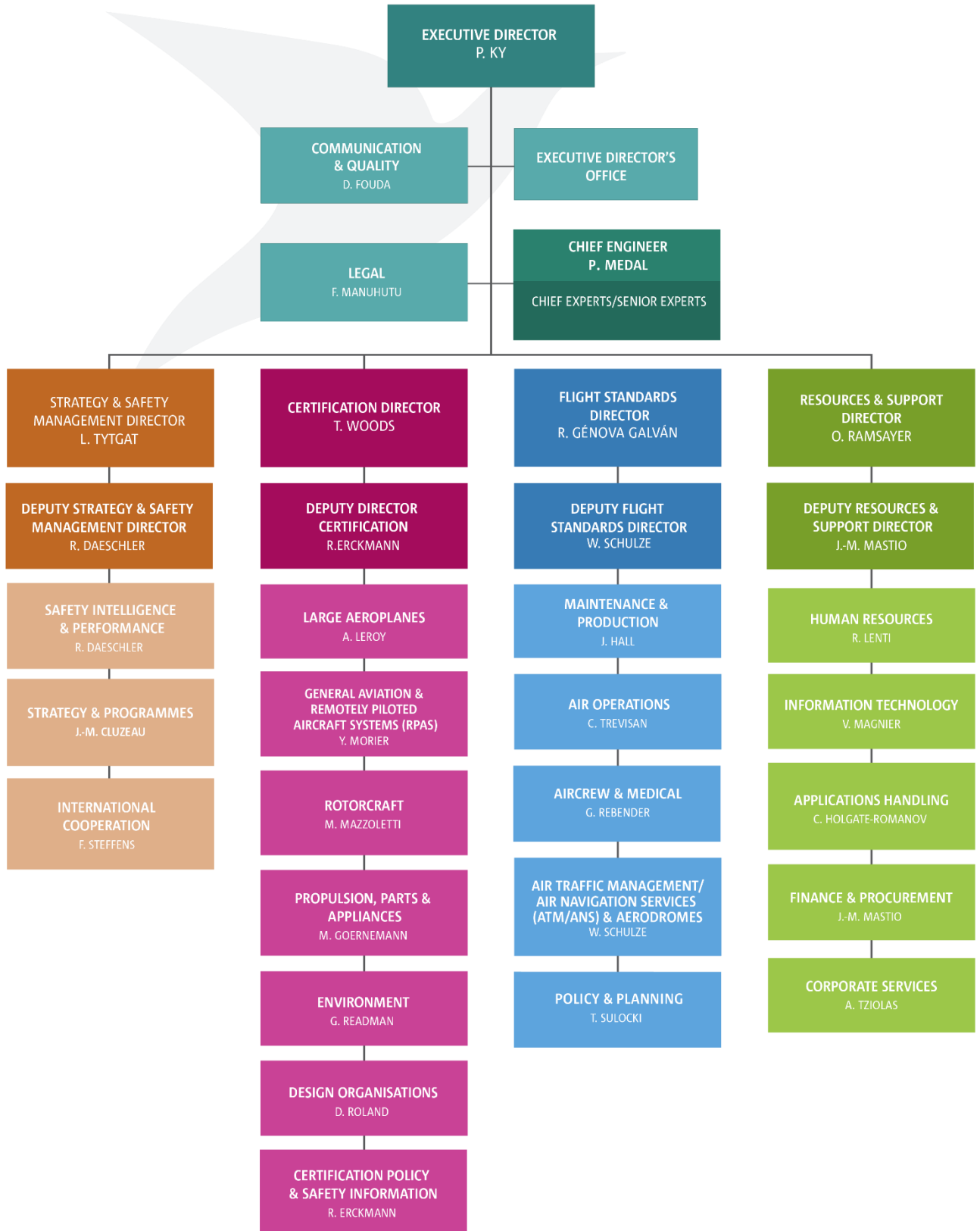


Figure 6: EASA Organisation Chart (31/12/2016)



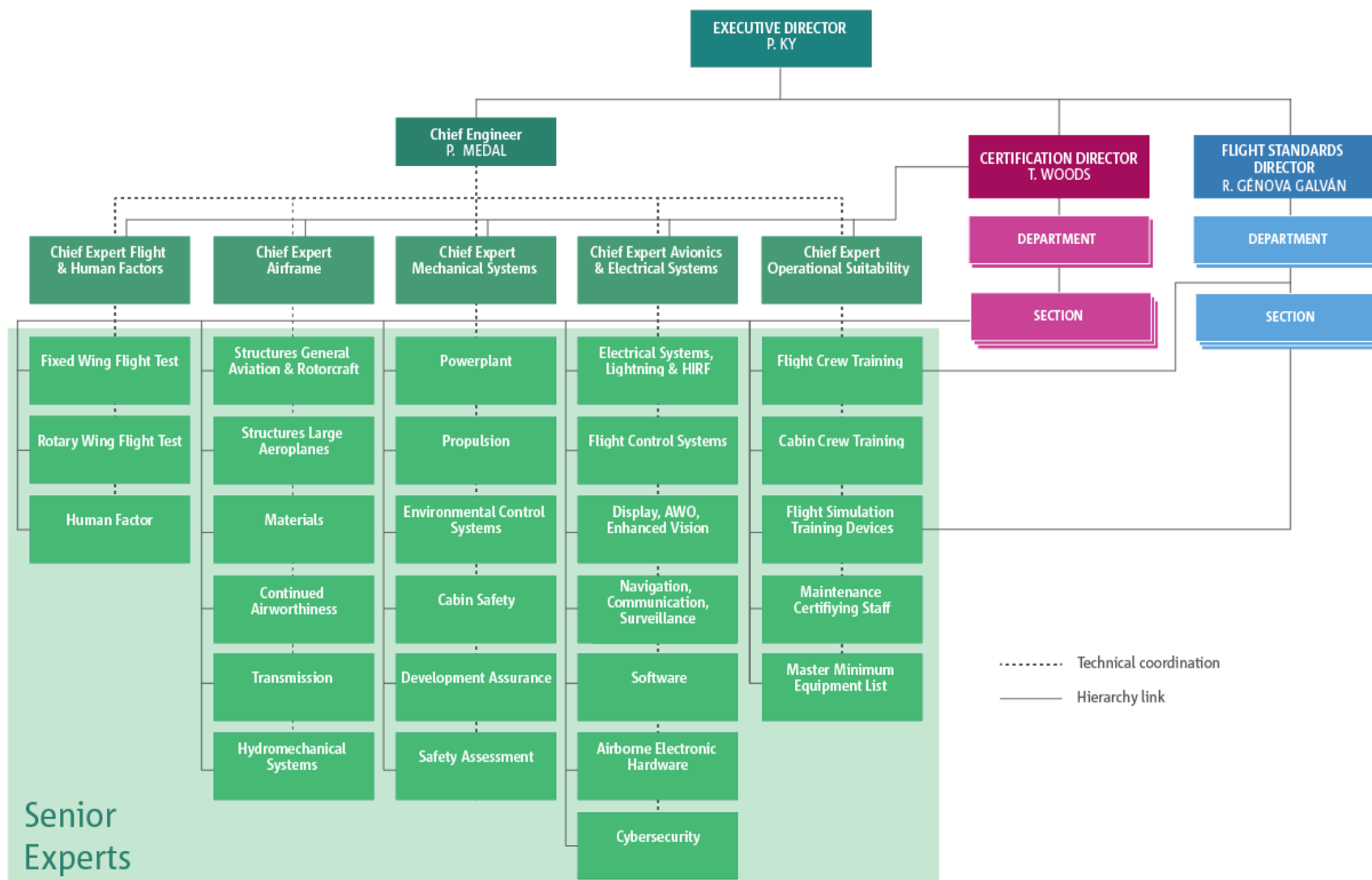


Figure 7: EASA Expert-Organisation Chart (31/12/2016)

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

Function group and grade	2016				2017	
	Authorised under the EU Budget		Actually filled as of 31/12/2016		Authorised under the EU Budget	
	Permanent posts	Temporary posts	Permanent posts	Temporary posts	Permanent posts	Temporary posts
AD 16						
AD 15		1		1		1
AD 14		25		5		25
AD 13		32		9		32
AD 12		53		20		53
AD 11		76		33		76
AD 10		98		73		98
AD 9		117		99		117
AD 8		77		134		77
AD 7		47		103		52
AD 6		20		52		20
AD 5		2		22		1
<b>AD TOTAL</b>		<b>548</b>		<b>551<sup>27</sup></b>		<b>552</b>
AST 11						
AST 10						
AST 9		1				1
AST 8		4				4
AST 7		13		1		14
AST 6		23		8		25
AST 5		33		22		33
AST 4		25		35		24
AST 3		17		31		16
AST 2		10		23		8
AST 1		2		5		1
<b>AST TOTAL</b>		<b>128</b>		<b>125</b>		<b>126</b>
<b>TOTAL</b>		<b>676</b>		<b>676</b>		<b>678</b>

Table 9: Establishment Plan

<sup>27</sup> 551 posts occupied incl. three offer letters sent. In addition as of 01. Jan. 2017 three staff members retired and the employment of additional three staff members terminated (at their own request). 551 posts do not include the deduction for part-timers, allowed by the FFR Art 38, para. 2 (> three posts).

Function group and grade	2016				2017	
	Authorised under the EU Budget		Actually filled as of 31/12/2016		Authorised under the EU Budget	
	Permanent posts	Temporary posts	Permanent posts	Temporary posts	Permanent posts	Temporary posts
	AD 16					
AD 15		1		1	1	
AD 14		16		3	16	
AD 13		21		6	21	
AD 12		33		15	33	
AD 11		49		27	49	
AD 10		65		48	65	
AD 9		82		54	82	
AD 8		56		82	56	
AD 7		35		79	36	
AD 6		14		42	13	
AD 5		1		16	1	
<b>AD TOTAL</b>		<b>373</b>		<b>373</b>	<b>373</b>	
AST 11						
AST 10						
AST 9		1			1	
AST 8		2			2	
AST 7		7		1	7	
AST 6		12		3	12	
AST 5		20		11	20	
AST 4		16		26	16	
AST 3		12		18	12	
AST 2		7		15	7	
AST 1		1		4	0	
<b>AST TOTAL</b>		<b>78</b>		<b>78</b>	<b>77</b>	
<b>TOTAL</b>		<b>451</b>		<b>451</b>	<b>450</b>	

Table 10: Establishment– Fees &amp; Charges (Note: the split between funding is just indicative)



Function group and grade	2016				2017	
	Authorised under the EU Budget		Actually filled as of 31/12/2016		Authorised under the EU Budget	
	Permanent posts	Temporary posts	Permanent posts	Temporary posts	Permanent posts	Temporary posts
AD 16						
AD 15		0		0		0
AD 14		9		2		9
AD 13		11		3		11
AD 12		20		5		20
AD 11		27		6		27
AD 10		33		25		33
AD 9		35		45		35
AD 8		21		52		21
AD 7		12		24		16
AD 6		6		10		7
AD 5		1		6		0
<b>AD TOTAL</b>		<b>175</b>		<b>178</b>		<b>179</b>
AST 11						
AST 10						
AST 9						
AST 8		2				2
AST 7		6				7
AST 6		11		5		13
AST 5		13		11		13
AST 4		9		9		8
AST 3		5		13		4
AST 2		3		8		1
AST 1		1		1		1
<b>AST TOTAL</b>		<b>50</b>		<b>47</b>		<b>49</b>
<b>TOTAL</b>		<b>225</b>		<b>225</b>		<b>228</b>

Table 11: Establishment Plan – Subsidy (Note: the split between funding is just indicative)

**Annex V: Human and Financial Resources**

		values in Euro	Actual 2016
Fees and Charges activities	Product Certification	Revenue	64,563,000
		Title 1	- 44,238,000
		Title 2	- 12,603,000
		title 3 NAA/QE	- 10,423,000
		Title 3	- 4,379,000
		Title 4	-
		<b>Total</b>	<b>- 7,080,000</b>
	Organisations	Revenue	29,249,000
		Title 1	- 15,144,000
		Title 2	- 3,923,000
		title 3 NAA/QE	- 8,162,000
		Title 3	- 2,599,000
		Title 4	-
		<b>Total</b>	<b>- 579,000</b>
Reserve adjusted		-	
<b>Total F&amp;C</b>		<b>- 7,659,000</b>	
Subsidy and other contributions	EU Subsidy		36,370,000
	third country contribution		2,064,000
	Other income		7,612,000
	Third Country Operators	Title 1	- 2,072,000
		Title 2	- 683,000
		Title 3	- 166,000
		Title 4	p.m.
		<b>Total</b>	<b>- 2,921,000</b>
	Standardisation	Title 1	- 7,659,000
		Title 2	- 2,061,000
		Title 3	- 921,000
		Title 4	p.m.
		<b>Total</b>	<b>- 10,641,000</b>
	SAFA	Title 1	- 858,000
		Title 2	- 279,000
		Title 3	- 79,000
		Title 4	p.m.
		<b>Total</b>	<b>- 1,216,000</b>
	Rulemaking	Title 1	- 11,412,000
		Title 2	- 1,512,000
		Title 3	- 1,255,000
		Title 4	p.m.
		<b>Total</b>	<b>- 14,179,000</b>
Int'l Cooperation	Title 1	- 2,674,000	
	Title 2	- 1,441,000	
	Title 3	- 806,000	
	Title 4	- 7,250,000	
	<b>Total</b>	<b>- 12,171,000</b>	
Strategic Safety	Title 1	- 3,778,000	
	Title 2	- 1,418,000	
	Title 3	- 1,377,000	
	Title 4	p.m.	
	<b>Total</b>	<b>- 6,573,000</b>	
<b>Total Subsidy and other contr.</b>		<b>- 1,655,000</b>	
<b>Grand-Total</b>		<b>- 9,314,000</b>	

Activity	2016 FTE <sup>28</sup>
Product Safety/ Environmental Oversight	347.8
Organisation Approvals	118.1
Third Country Op.	16.5
Inspection of Member States	66.8
Ramp Inspection Programmes (SAFA/ SACA)	9.3
Regulation	90.8
International Cooperation / European Central Question Bank	42.8
Safety Management / Safety Promotion	46.9
<b>Total</b>	<b>739.0</b>

<sup>28</sup> Includes Temporary Agents, Contract Agents and Seconded National Experts. Support Staff is reallocated to the core activities, via the audited allocation keys. FTEs provided by National Authorities / Qualified Entities through outsourcing activities are not included.



**Annex VI: Key functions**

<i>Key functions (examples)</i>	<i>Type of contract (official, Temporary Agent or Contract Agent)</i>	<i>Function group, grade of recruitment (or bottom of the brackets if published in brackets)</i>	<i>Indication whether the function is dedicated to administration support or policy (operational)</i>
<b>CORE FUNCTIONS</b>			
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)
<i>Head of Department (please identify which level in the structure it corresponds to taking the Director as level 1)</i>	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)
<i>Head of Unit (please identify which level in the structure it corresponds to taking the Director as level 1)</i>	n/a	n/a	n/a
<i>Head of Section (please identify which level in the structure it corresponds to)</i>	Temporary Agent “Section Manager”	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)

<i>taking the Director as level 1)</i>	Level 4 (excluded from management allowance)		
<i>Senior Officer</i>	Temporary Agent	AD 9	Depending on the Section (operational in the Aviation area, support in the Administrative area)
<i>Officer</i>	Temporary Agent or CA IV	AD6/7	Depending on the Section (operational in the Aviation area, support in the Administrative area)
<i>Junior Officer</i>	Temporary Agent or CA IV	AD5	Depending on the Section (operational in the Aviation area, support in the Administrative area)
<i>Senior Assistant</i>	Temporary Agent or CA III	AST3	Depending on the Section (operational in the Aviation area, support in the Administrative area)
<i>Junior Assistant</i>	Temporary Agent or CA III	AST1	Depending on the Section (operational in the Aviation area, support in the Administrative area)
<b>SUPPORT FUNCTIONS</b>			
<i>Head of Administration</i>	Temporary Agent	n/a	
<i>Head of Human Resources</i>	Temporary Agent	AD 9	
<i>Head of Finance</i>	Temporary Agent	AD 11	
<i>Head of Communication</i>	Temporary Agent	AD 9	
<i>Head of IT</i>	Temporary Agent	AD 10	
<i>Senior Officer</i>	Temporary Agent	AD 8/9	



<i>Officer</i>	Temporary Agent	AD 6/7	
<i>Junior Officer</i>	Temporary Agent	AD 5	
<i>Webmaster- Editor</i>	Temporary Agent	AD 5 (“Web Content Officer/Web Master”)	
<i>Secretary</i>	Temporary Agent	AST 1	
<i>Mail Clerk</i>	n/a	n/a	
<b>SPECIAL FUNCTIONS</b>			
<i>Data Protection Officer</i>	Temporary Agent	AD 5	
<i>Accounting Officer</i>	Temporary Agent	AD 9	
<i>Internal Auditor</i>	Temporary Agent	AD 7	



**Annex VII: Staffing**

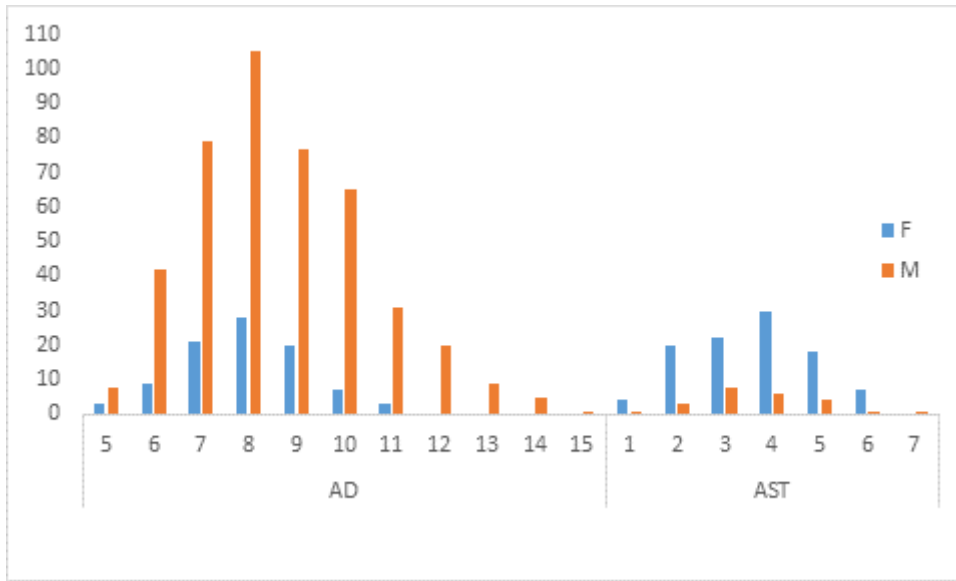


Figure 8: Gender distribution among grade in 2016



## Annex VIII: related to part 2

### 1. Procurement procedures launched and/or finalised in 2016

TYPE OF PROCEDURE	REF.	TITLE	TYPE OF CONTRACT	DURATION	CONTRACT VOLUME	CONTRACTOR	CONTRACT SIGNATURE	CONTRACT EXPIRY
OPEN	EASA.201 6.HVP.17	Cologne - Legal advice in lease and services related to building premises (LOT 1)	FRAMEWORK	4 YEARS	450K€	TBC - Evaluation ongoing.		
		Brussels - Legal advice in lease and services related to building premises (LOT 2)			70K€			
OPEN	EASA.201 6.HVP.08	Assessment Centres and Development Centres	FRAMEWORK	4 YEARS	1 Mio€	TBC - Evaluation ongoing.		
NEGOTIATED	EASA.201 5.HVP.14	Aerodrome Study ATA- Ac project (re-launched)	FRAMEWORK	4 YEARS	500K€	Airports Council International	25/04/2016	24/04/2020
OPEN	EASA.201 5.HVP.30	Energy supplier	FRAMEWORK	4 YEARS (to year end)	242,142.46€	RheinEnergie AG	19/04/2016	31/12/2019
OPEN	EASA.201 5.HVP.31	Technical facility management (with HTP)	FRAMEWORK	4 YEARS	2,435,000€	Dussmann Service Deutschland GmbH	04/04/2016	03/04/2020
OPEN -> NEGOTIATED	EASA.201 5.HVP.34	Office Furniture (Serienmöbel) - special furniture - (Re-launched Lot 3)	FRAMEWORK	4 YEARS	1,2 Mio€	Mathes GmbH &Co. KG	03/03/2016	02/03/2016





TYPE OF PROCEDURE	REF.	TITLE	TYPE OF CONTRACT	DURATION	CONTRACT VOLUME	CONTRACTOR	CONTRACT SIGNATURE	CONTRACT EXPIRY
OPEN	EASA.201 5.HVP.19	CANTEEN: Payment system & Maintenance	FRAMEWORK	4 YEARS	115K€	Contidata Datensysteme GmbH	14/03/2016	13/03/2020
OPEN -> NEGOTIATED	EASA.201 5.HVP.35	CANTEEN: Kitchen supplies (Kleininventar) - re-launched	FRAMEWORK	4 YEARS	106K€	Boehringer Gastro Profi GmbH	10/03/2016	09/03/2020
OPEN	EASA.201 5.HVP.26	Reception, Security and Hospitality Services	FRAMEWORK	4 YEARS	3 Mio€	W.I.S. Sicherheit + Service GmbH & Co. KG (i)	18/03/2016	17/03/2020
						Gegenbauer Sicherheitsdienste GmbH (ii)	18/03/2016	17/03/2020
OPEN	EASA.201 6.HVP.01	Banking Services (Main Bank Account)	FRAMEWORK	5 YEARS	35K€	ING Belgium SA/NV	27/06/2016 (entry into force on 17/11/2016)	16/11/2021
OPEN	EASA.201 5.HVP.12	Impact Assessment & Evaluation of EASA rules (ASSESS II)	FRAMEWORK	4 YEARS	1,2 Mio€	I. OSPREY Consulting Services Limited	22/02/2016	21/02/2020
						II. Consortium between ADSE B.V. (Aircraft Development and Systems Engineering), Moving Dot and Total European Aviation System Advisory Services Limited (TEASAS)	22/02/2016	21/02/2020
						III. Consortium between Advance Logistics Group, SAU (ALG), APAC Computer Software Development GMBH	22/02/2016	21/02/2020
						IV. Consortium between Ecorys Nederland B.V. and Stichting National Lucht-en Ruimtevaartlaboratorium (NLR)	22/02/2016	21/02/2020
NEGOTIATED	EASA.201 5.HVP.24	EUCCC in the China project	FRAMEWORK	5 YEARS	4,5 Mio€	EU Chamber of Commerce in China	27/01/2016	26/01/2021



TYPE OF PROCEDURE	REF.	TITLE	TYPE OF CONTRACT	DURATION	CONTRACT VOLUME	CONTRACTOR	CONTRACT SIGNATURE	CONTRACT EXPIRY
OPEN	EASA.201 5.HVP.05	Office Furniture – chairs (lot 2)	FRAMEWORK	4 YEARS	600K€	Rouette Eßer GmbH	26/01/2016	27/01/2020
		Office Furniture - standard furniture (lot 1)			2,5 Mio€	Mathes GmbH & Co. KG	13/01/2016	12/01/2020
OPEN	EASA.201 5.HVP.06	Customised Furniture (Maßmöbel)	DIRECT	12 MONTHS	317,115€	Vogelsberg	11/01/2016	10/01/2017
OPEN	EASA.201 5.HVP.17	CANTEEN - Bistro & catering services (including leasing coffee machines (office floors))	FRAMEWORK	4 YEARS	500K€	I. RI Bistro EssART GmbH & Co. KG	10/02/2016	09/02/2020
						II. RII WISAG Catering GmbH & Co. KG	10/02/2016	09/02/2020
RESTRICTED	EASA.201 4.RP.12 - PHASE 2	LOT 2: Business Skills	FRAMEWORK	4 YEARS	500K€	AMA EUROPE SA/NV	06/01/2016	05/01/2020
						PWC EU SERVICES EESV	18/01/2016	17/01/2020
						MAYCOACH & COMPANY E.K	18/01/2016	17/01/2020
RESTRICTED	EASA.201 4.RP.12 - PHASE 2	LOT 3: Intercultural awareness and international representation	FRAMEWORK	4 YEARS	350K€	ITIM INTERNATINAL OY	18/01/2016	17/01/2020



TYPE OF PROCEDURE	REF.	TITLE	TYPE OF CONTRACT	DURATION	CONTRACT VOLUME	CONTRACTOR	CONTRACT SIGNATURE	CONTRACT EXPIRY
						MAYCOACH & COMPANY E.K	26/01/2016	25/01/2020
NEGOTIATED	EASA.2015.HVP.33	ITTC EASA.2012.FC22 - Increase of Budget Amendment	FRAMEWORK	12 MONTHS (until end of current FWC)	600K€	CAA International Limited	06/01/2016	05/01/2017
OPEN	EASA.2016.HPV.14	Disbond of Sandwich Structures - DoSS	DIRECT	12 MONTHS	150K€	Consortium Danmarks Tekniske Universitet (DTU) & Fraunhofer IMWS	20/09/2016	19/09/2017
OPEN	EASA.2016.HVP.02	Cleaning Services	FRAMEWORK	4 YEARS	2Mio€	GRG Services Hamburg GmbH & Co. KG	11/08/2016	10/08/2020
						Klüh Cleaning GmbH	16/08/2016	15/08/2020
						Piepenbrock Dienstleistungen GmbH + Co. KG	16/08/2016	15/08/2020
NEGOTIATED	EASA.2016.HVP.06	Assistance for the use of Technical Standards and Technology	FRAMEWORK	4 YEARS	300K€	EUROCAE COMMUNICATION	01/08/2016	31/07/2020
OPEN	EASA.2016.HVP.10	Impact Assessment of Cybersecurity Threats	DIRECT	11 MONTHS	190K€	Qascom S.r.L	12/12/2016	11/11/2017
OPEN	EASA.2016.HVP.11	Environmental Consultancy Support on technical issues associated with Aircraft Noise	FRAMEWORK	4 YEARS	1Mio€	Stichting National Lucht-en Ruimtevaartlaboratorium (NLR)	30/09/2016	29/09/2020



## 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 €k 100 or more shall be annexed to the Annual Activity Report. All cases which took place in 2016 were below this threshold.

## 3. Summary of MB Decisions taken in 2016

During 2016, the Management Board:

- Renewed the term of office of Mr. Trevor Woods as Certification Director
- Determined the composition of the Stakeholders Advisory Body (SAB)
- Adopted the Annual Activity Report (AAR) 2015
- Adopted the 2016 First Amending Budget
- Adopted four implementing rules of the EU Staff Regulations, namely on the reclassification of temporary and contract agents, working time and part-time and agreed on the adoption by analogy of the Commission implementing rule on teleworking
- Adopted the updated EASA Management Standards
- Adopted its Opinion on the 2015 Annual Accounts
- Adopted the Single Programming Document (SPD) 2017-2020 including the Work Programme 2017
- Appointed Mr. Jesper Rasmussen as new Flight Standards Director
- Elected Mr. Rob Huyser as MB Deputy Chairperson
- Adopted the Budget 2017
- Adopted the Draft Single Programming Document (SPD) 2018-2021 including the Draft Budget 2018
- Adopted two implementing rules of the EU Staff Regulations (setting up a Staff Committee and deciding the non-application of the Commission Decision on the maximum duration for the recourse to non-permanent staff in the Commission services) and agreed on the opt-out from another five Commission implementing rules for which Agency models will be drafted
- Endorsed the Audit Programme 2017



- Endorsed EPAS 2017-2021
- Appointed the Members of the EASA Board of Appeal
- Adopted the MB meeting dates 2017, i.e. 13 June in Brussels, 11 and 12 December in Cologne



## Annex IX: related to part 3

### 1. Agency actions to prevent and manage Conflict of Interest

In addition to the information provided under Section 2.8, EASA has re-assessed and is continuing monitoring its system/control environment in this domain taking due account of the observations of the European Parliament. As main outcome of this exercise in 2016, EASA has produced a specific Code of Conduct for external experts supporting the work of the Agency including a policy on conflict of Interest and a declaration of acknowledgement of the code. Also the training material about conflict of interest for the Management Board members was updated.

### 2. Agency actions to prevent Fraud

The Agency's developed its own Anti-Fraud Strategy within the framework of the Commission Anti-Fraud Strategy, following an internal risk assessment exercise carried out in accordance with the European Anti-Fraud Office methodology and guidance. The strategy covers the whole Anti-Fraud life cycle. The Strategy is built on key objectives and specific actions tailored to EASA environment.

The Agency's Anti-Fraud Strategy aims to complement the above general frameworks for anti-fraud actions by promoting a high level of fraud awareness among EASA management and staff, and to help reduce the potential fraud risks and their impact on the effectiveness and reputation of the Agency.

The Agency's Anti-Fraud Strategy was endorsed by the Management Board in 2014. The Agency's Anti-Fraud Strategy foresees 8 lines of actions that relate to 3 objectives:

- To enhance the effective prevention and detection of fraud
- To establish appropriate internal procedures for reporting and handling potential fraud cases and their outcomes
- To develop procedures for the reporting and handling potential fraud cases to external bodies

At end 2016, all actions, in particular to deliver a training course to at least 80% of the staff, have been completed.



## Annex X: final annual accounts (k€)

### Statement of financial performance (SFP)

(Thousands of euros)

	Note	2016	2015
<b>OPERATING REVENUE</b>	3.8		
Fees and Charges	3.8.1	97,061	95,279
Contribution from EU entities	3.8.2	42,739	39,994
Recovery of expenses	3.8.3	951	1,316
Contribution from EFTA countries	3.8.4	1,103	1,103
<b>TOTAL OPERATING REVENUE</b>		<b>141,854</b>	<b>137,691</b>
<b>OPERATING EXPENSES</b>	3.9		
Staff expenses	3.9.1	(86,851)	(72,893)
Buildings and related expenses	3.9.2	(11,588)	(9,701)
Other expenses	3.9.3	(9,706)	(7,650)
Depreciation and write offs	3.9.4	(1,919)	(1,543)
Outsourcing and contracting activities	3.9.5	(32,589)	(31,692)
<b>TOTAL OPERATING EXPENSES</b>		<b>(142,654)</b>	<b>(123,478)</b>
<b>SURPLUS (DEFICIT) FROM OPERATING ACTIVITIES</b>		<b>(800)</b>	<b>14,213</b>
<b>NON OPERATING REVENUES(EXPENSES)</b>	3.10		
Interests received from third parties		120	262
Interests & charges paid to third parties		(35)	(131)
<b>SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES</b>		<b>85</b>	<b>131</b>
<b>SURPLUS/ (DEFICIT) FROM ORDINARY ACTIVITIES</b>		<b>(715)</b>	<b>14,344</b>
<b>SURPLUS/ (DEFICIT) FROM EXTRAORDINARY ITEMS</b>			
<b>NET SURPLUS (DEFICIT) FOR THE PERIOD</b>		<b>(715)</b>	<b>14,344</b>

NB. All figures included in the Statement of Financial Performance are presented on an 'accrual' basis.



## Annex XI: EASA Management Board Members

The EASA Management Board brings together representatives of the Member States and the EC. 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 Board met two times in 2016.

### Composition<sup>29</sup>

<b>Members with voting rights</b>	European Commission and European Member States (28)
<b>Members without voting rights</b>	Norway, Liechtenstein, Iceland, Switzerland
<b>Observers</b>	Albania, Bosnia and Herzegovina, Former Yugoslav Republic of Macedonia, Montenegro, Serbia, Georgia and Moldova

Table 12: Composition of the (Management) Board in 2016

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

<b>Chair of the Management Board</b>	<b>Deputy Chair of the Management Board</b>
Mr Pekka Henttu (Finland)	Mr Rob Huyser (the Netherlands)

Table 13: Chair of the Management Board

The members of the Management Board are:

Country	Member
Austria	<b>Ms Silvia GEHRER</b> Bundesministerium für Verkehr, Innovation und Technologie
Belgium	<b>Ms Nathalie DEJACE</b> Deputy Directeur Général a.i. Service Public Fédéral Mobilité Et Transport Direction Générale Transport Aérien
Bulgaria	Mr Ivan IVANOV Director General Civil Aviation Administration

<sup>29</sup> EASA MB Members current as on December 2016. A detailed list of EASA MB Members is available on the EASA website <http://www.easa.europa.eu/the-agency/management-board/members>.



Croatia	<b>Mr Jure ŠARIĆ</b> Assistant Minister for Civil Aviation Electronic Communications and Postal Services Ministry of Maritime Affairs, Transport and Infrastructure
Cyprus	<b>Ms Panayiota GEORGIU-DEMETRIOU</b> Director Department of Civil Aviation Ministry of Communications and Works
Czech Republic	<b>Mr Josef RADA</b> General Director Civil Aviation Authority of the Czech Republic
Denmark	<b>Mr Jesper RASMUSSEN</b> Deputy Director General Danish Transport and Construction Agency
Estonia	<b>Mr Kristjan TELVE</b> Director General Civil Aviation Administration
Finland	<b>Mr Pekka HENTTU</b> Director General Civil Aviation, Finnish Transport Agency (TraFi)
France	<b>Mr Patrick CIPRIANI</b> Directeur de la sécurité de l'aviation civile (DGAC/DSAC)
Germany	<b>Mr Josef SCHILLER</b> Director Airworthiness, Operations, Licencing Bundesministerium für Verkehr, Bau und Stadtentwicklung



Greece	<b>Mr Konstantinos LINTZERAKOS</b> Governor of Hellenic CAA
Hungary	<b>Ms Erika DÉR</b> Head of Civil Aviation, Maritime and Inland Navigation Department Ministry of National Development
Iceland	<b>Mr Páll S. PÁLSSON</b> Director of the Flight Division and Deputy Director General of Civil Aviation The Icelandic Transport Authority
Ireland	<b>Ms Monica WALLACE</b> Deputy Director General for Civil Aviation Department of Transport
Italy	<b>Dott. Alessio QUARANTA</b> Director General Ente Nazionale per l'Aviazione Civile (ENAC)
Latvia	<b>Mr Maris GORODCOVS</b> Director General of Civil Aviation Civil Aviation Agency, Ministry of Transport
Liechtenstein	<b>Mr Manfred BISCHOF</b> Head Department Civil Aviation Office of Building and Infrastructure Division Civil Aviation
Lithuania	<b>Mr Joris GINTILAS</b> Director of Civil Aviation Administration
Luxembourg	<b>Mr Pierre JAEGER</b> Directeur de l'Aviation Civile Direction de l'Aviation Civile

Malta	<b>Mr George BORG-MARKS</b> Director General for Civil Aviation Transport Malta Civil Aviation Directorate
The Netherlands	<b>Mr Rob HUYSER</b> Director and Acting Director General Directorate of Civil aviation Ministry of Infrastructure and Environment
Norway	<b>Mr Stein Erik NODELAND</b> Director General Civil Aviation Authority
Poland	<b>Mr Piotr SAMSON</b> President of the Civil Aviation Authority
Portugal	<b>Mr Luís Miguel RIBEIRO</b> Chairman of the Board of Directors ANAC - Agência Nacional de Aviação Civil
Romania	<b>Mr Armand PETRESCU</b> Director General Romanian Civil Aeronautical Authority (RCAA)
Slovak Republic	<b>Mr Ján BREJA</b> Director Civil Aviation Authority
Slovenia	<b>Mr Alojz KRAPEZ</b> Head of Aviation Division Directorate of Civil Aviation Ministry of Infrastructure and Spatial Planning



Spain	<p><b>Ms Isabel MAESTRE</b></p> <p>Director of AESA</p> <p>Agencia Estatal de Seguridad Aerea (AESA)</p>
Sweden	<p><b>Ms Ingrid CHERFILS</b></p> <p>Director Civil Aviation Department</p> <p>Swedish Transport Agency</p>
Switzerland	<p><b>Mr Christian HEGNER</b></p> <p>Director General</p> <p>Federal Office for Civil Aviation - FOCA</p>
United Kingdom	<p><b>Mr Mark SWAN</b></p> <p>Group Director Safety and Airspace Regulation</p> <p>Civil Aviation Authority</p>
European Commission	<p><b>Mr. Henrik HOLOLEI</b></p> <p>Director-General</p> <p>Directorate-General for Mobility and Transport</p>

Table 14: Members of the Management Board



## Annex XII: List of Acronyms

Acronym	Meaning
AD	Airworthiness Directive
AIR	Airworthiness
AMC	Acceptable Means of Compliance
ANAC	Agência Nacional de Aviação Civil
ANS	Air Navigation Services
ANSP	Air Navigation Services Provider
ASEAN	Association of South East Asian Nations
ATA-AC	Amélioration du transport aérien en Afrique centrale
ATM	Air Traffic Management
ATO	Approved Training Organisations
BASA	Bilateral Aviation Safety Agreement
CAA	Civil Aviation Authority
CAAC	Civil Aviation Administration of China
CAGs	Collaborative Analysis Groups
CASA	Civil Aviation Safety Authority of Australia
CASSOA-EAC	Civil Aviation Safety and Security Oversight Agency - East African Community
CAT	Commercial Air Transport
CERT-EU	Computer emergency response team for the EU institutions, bodies and agencies
CMA	Continuous Monitoring Approach
CS	Certification Specification
DOA	Design Organisation Approval
EAD	Emergency Airworthiness Directive
ECCAIRS	European Co-ordination Centre for Accident and Incident Reporting Systems
ECQB	European Central Question Bank
ECR	European Central Repository
EGAST	European General Aviation Safety Team
EHEST	European Helicopter Safety Team
EPAS	European Plan for Aviation Safety
ETSOA	European Technical Standards Order Authorisation
ESSI	European Strategic Safety Initiative
FAA	Federal Aviation Administration
FCL	Aircrew Licensing
FDM	Flight data monitoring
FSTD	Flight Simulation Training Devices
GA	General Aviation
GM	Guidance Material
ICAO	International Civil Aviation Organisation
IFACI	Institut Français de l'audit et du Contrôle Internes



IR	Implementing Rule
MAB	Member State Advisory Body
MED	Aircrew Medical
MRB	Maintenance Review Board
NAA	National Aviation Authority
NoA	Network of Analysts
NPA	Notice of Proposed Amendment
OPS	Air Operations
OSD	Operational Suitability Data
RAMP	Ramp Inspections
RMT	Rulemaking Task
SAB	Stakeholder Advisory Body
SACA	Safety Assessment of Community Aircraft
SAFA	Safety Assessment of Foreign Aircraft
SESAR	Single European Sky ATM Research programme
SIB	Safety Information Bulletins
SMS	Safety Management System
SRM	Safety Risk Management
SSD	Significant Standards Differences
SSP	State Safety Programme
STeB	Stakeholder Technical Bodies
TCCA	Transport Canada Civil Aviation
TeB	Technical Body
TIP	Technical Implementation Procedure
ToR	Terms of Reference
TSO	Technical Standards Order
TSOA	Technical Standards Order Authorisation
UAS	Unmanned Aircraft Systems
WA	Working Arrangement

Table 15: List of Acronyms found in the AAR 2016

