



EASA MB 02/2008

MB Decision 07-2008 Annex 1 –
EASA 2007 Annual General Report
11 June 2008

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Cologne, 11 June 2008

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EASA 2007 Annual General Report



European Aviation Safety Agency

2007 Annual General Report

June 2008

Foreword from the Executive Director

Your Safety Is Our Mission

In 2007 the European Aviation Safety Agency prepared for change. While consolidating its existing tasks, the Agency made the necessary arrangements for the adoption of new responsibilities contained in the new "Basic Regulation", which was politically agreed at the end of the year and signed by the European Parliament and the Council on 20 February 2008.

Consequently, in the area of rulemaking, a major achievement was the regulatory groundwork for the extension of the Agency's remit to air operations, pilot licensing and third country aircraft, to allow the publication of draft Implementing Rules in 2008. Transparency and open communication with citizens and the regulated aviation community have become guiding principles of the Agency.

In the area of certification, a revised Fees & Charges Regulation entered into force in June 2007, which helped to solve outstanding budgetary issues. New tasks also included the approval of flight conditions for the issuance of Permits to Fly, and the approval of environmental certificates (noise Type Certificates Data Sheets).

Combined rulemaking and certification initiatives were aimed at revitalising General Aviation. General Aviation was also included within the European Strategic Safety Initiative (ESSI) which was significantly expanded in 2007.

The Agency's standardisation activities involving inspections in the Member States were intensified and a SAFA (Safety Assessment of Foreign Aircraft) training programme developed.

Our strong partnership with the National Aviation Authorities (NAA) was further developed including joint information and communication activities. At the international level, the Agency concluded and expanded working arrangements with a number of foreign aviation authorities and intensified its successful partnership with the US Federal Aviation Administration.

Following its internal reorganisation at the end of 2006, the Agency further pursued the improvement of its management system and internal control, as confirmed by external audits. The Agency's workforce has increased by 70 to reach a total of 361 at year's end.

I remain greatly indebted to the employees of the Agency at all levels who have remained dedicated to carry forward our mission through this year of change and preparation. I would also like to thank our political decision-makers in the Member States, the European Parliament and the European Commission for entrusting the Agency with important new responsibilities in the interest of European citizens and the aviation industry. We will continue to fulfil our mission to the best of our capabilities.

Patrick Goudou
Executive Director

LIST OF ACRONYMS

ACARE	Advisory Council of Aeronautical Research
AFM	Aircraft Flight Manual
AIB	Accident Investigation Body
AMC	Acceptable Means of Compliance
AMOC	Alternative Means of Compliance
A-NPA	Advance Notice of Proposed Amendment
ASC	Air Safety Committee
BASA	Bilateral Air Safety Agreement
CAA	Civil Aviation Authority
CAMO	Continuing Airworthiness Management Organisations
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
COSCAP	Cooperative development of Operational Safety and Continuing Airworthiness Programmes
DOA	Design Organisation Approval
EASA	European Aviation Safety Agency
EC	European Commission
ECAC	European Civil Aviation Conference
ECAST	European Commercial Aviation Safety Team
ECCAIRS	European Coordination Centre for Accident and Incident Reporting Systems
ED	Executive Directorate
EGAST	European General Aviation Safety Team
EHEST	European Helicopter Safety Team
ENACT	EASA/NAAs Certification Transition
ERP	Enterprise Resource Planning
ESSI	European Strategic Safety Initiative
ETSO	European Technical Standard Order
FAA	Federal Aviation Administration
FCL	Flight Crew Licensing
FPRTD	Framework Programme for Research and technological development
HoD	Head of Department
IAC	Interstate Aviation Committee
IAS	Internal Audit Service
ICAO	International Civil Aviation Organisation
ICAO USOAP	ICAO Universal Safety Oversight Audit
ICT	Information and Communication Technology
IHST	International Helicopter Safety Team
IRC	Internal Research Committee
ISC	Internal Safety Committee
JAA	Joint Aviation Authorities
MB	Management Board
MCQ	Multiple Choice Question
MIST	Maintenance International Standardisation Team
NAA	National Aviation Authority
NPA	Notice of Proposed Amendment
POA	Production Organisation Approval
PtF	Permit to Fly
QMS	Quality Management System
SAFA	Safety Assessment of Foreign Aircraft
SESAR	Single European Sky ATM Research Programme
TCCA	Transport Canada Civil Aviation

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2007 Highlights

- 26 January: ATM high level group
- 1 March: JAA LO moves into EASA building
- 1 March: EASA takes over as Coordinator of the EU Regulatory Agencies
- March: Completion and publication of Noise Type Certificate Data Sheets
- 27 March: EASA is responsible for the issuance of Flight Conditions
- 1 June: Entry into force of the amended Fees and Charges Regulation
- 5 -7 June: Conference US / Europe Air Safety, Prague
- July: Publication of NPA on permits to fly
- September: Annual Safety Review published in community languages
- 17 October: 1st Meeting of the European General Aviation Safety Team (ESSI)
- 17 October: Kick-off meeting of the Budget Committee
- 6 December: Publication of the Opinion on aerodromes
- December: EHA/EASA - European Rotorcraft Workshop, Cologne
- December: Approval by the MB of the amended Financial Regulation

Introduction

The present document is the Annual General Report of the Agency for the year 2007, established according to the requirements defined in article 57 of its Basic Regulation (EC) N° 216/2008. This report has been adopted by the Agency's Management Board and forwarded to the European Parliament, the Council, the Commission, the Court of Auditors and the Member States, as foreseen in article 33, 2(b).

In 2007, the Agency was still in a growing phase and in a process of gaining additional tasks. These new tasks are listed below. Further details regarding the work performed and the associated resources are provided in the report on the corresponding activities.

Anticipating the extension of EASA's scope to OPS, FCL and oversight of third country operators, and in accordance with the decisions of the FUJA 1 (Future of JAA) working group, the following JAA tasks have been transferred to EASA in 2007:

- ✓ JAA rulemaking tasks, which have been included into EASA's rulemaking programme;
- ✓ the chair of the sectorial teams (OST, LST);
- ✓ the coordination of standardisation visits in OPS, FCL and STD;
- ✓ the maintenance of SAFA database and associated activities;
- ✓ the coordination of JOEB activities;
- ✓ ESSI (and associated safety initiatives), which was created as a follow up of JSSI;
- ✓ the establishment of all corresponding infrastructure and service contracts.

On top of the tasks transferred from the JAA, the Agency has taken over:

- ✓ the issuance of Flight conditions for Permit to Fly;
- ✓ the completion and publication of Noise Type Certificate Data Sheets;
- ✓ some support to the Commission in finalising work on EU-OPS
- ✓ the annual coordination of the regulatory agencies' network;
- ✓ the technical investigation in view of the issuance of Airbus' single POA.

As requested by article 57 of EASA's Basic Regulation (EC) N° 216/2008, the present report, which is structured according to EASA's main activities, describes the way the work programme 2007 has been implemented, be it for existing or new tasks. As highlighted by dedicated tables related to each activity, almost all the objectives defined in this programme were met or exceeded at the end of 2007. In cases where objectives have not been reached in 2007, the reason for delays has been provided.

Finally, the Agency performed in 2007 a high level risk analysis per activity, which led to a list of critical risks for the Agency. These critical risks have been concisely evaluated, and the way they have been mitigated is explained in the last part of the present report.

The Agency

EASA's vision

Ever safer and cleaner civil aviation for Europe

EASA's mission

Our mission is to foster and provide efficiently for the highest common standard of civil aviation safety and environmental protection in Europe and worldwide

EASA's activities

The Agency has defined its 9 core activities which cover its main functions as a major actor of aviation safety in Europe:

Product certification comprises not only airworthiness but also environmental certification of aeronautical products, and the related safety oversight of those products during their entire lifecycle. The scope of product certification was extended in 2007 to the approval of flight conditions for issuance of Permits to Fly (PtF) and the issuance of Type Certificate Data Sheets for noise.

Organisation approval consists in approving design organisations wherever located and organisations responsible for production, maintenance, maintenance training and continued airworthiness management located outside the territory of the Member States, or inside EU under request.

Standardisation consists for the Agency in assessing compliance with the requirements of EASA's Basic Regulation and its IRs, through inspections of NAAs.

Rulemaking covers the production on the one hand of Agency opinions, which are recommendations to the European Commission for extending or changing the legislative framework, and on the other hand material –airworthiness codes, acceptable means of compliance and guidance material - aimed at facilitating the implementation and understanding of the applicable legislation.

International cooperation consists in establishing working arrangements with foreign CAAs or assisting the Commission in the negotiation of BASAs in order to facilitate the free movement of European products and services worldwide. It also consists of assisting less-developed countries in improving their regulatory and oversight capabilities.

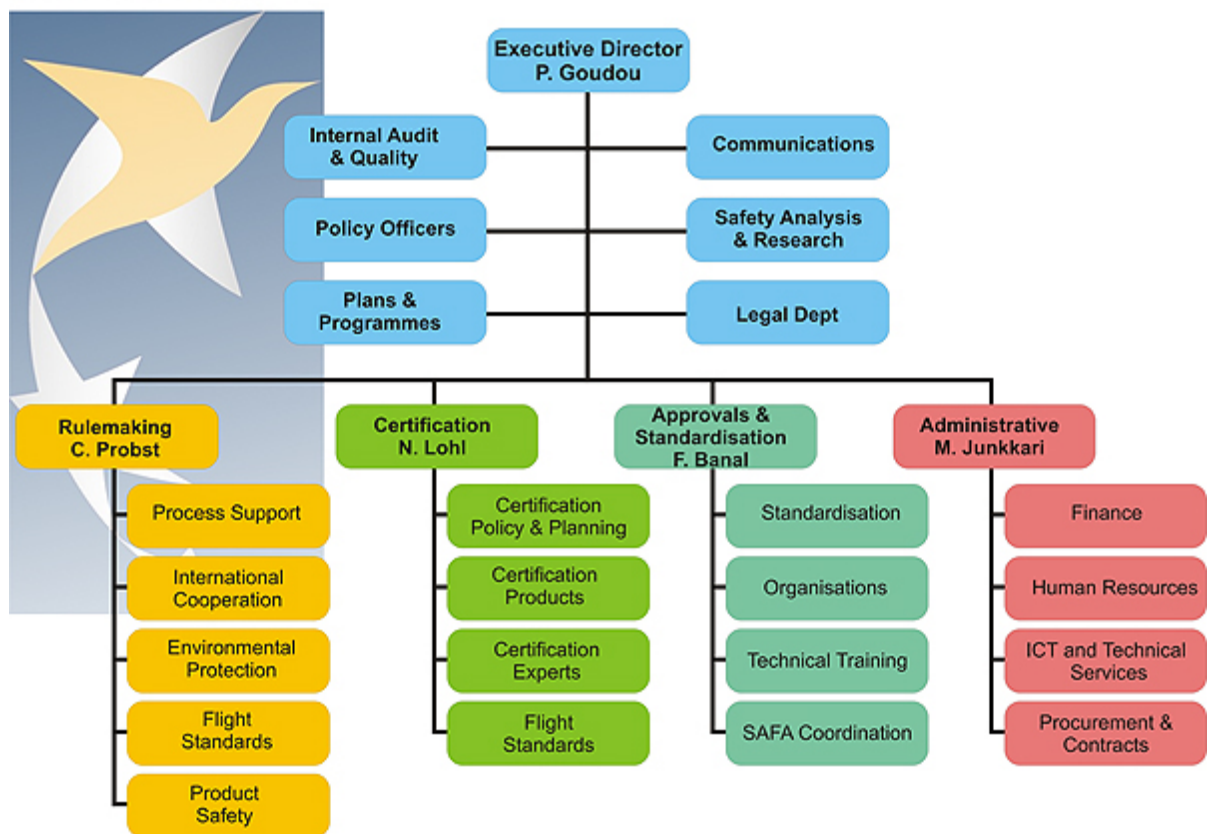
Safety analysis consists in acquiring and analysing data in order to provide the necessary information to improve safety performance of the whole aviation system.

Research consists in launching and managing studies on selected safety issues or to support Rulemaking tasks.

SAFA covers EASA's obligations related to the Community SAFA (Safety Assessment of Foreign Aircraft) programme.

EUROPEAN AVIATION SAFETY AGENCY

AGENCY STRUCTURE



Executive Director:

Patrick Goudou

Rulemaking Director:

Claude Probst

Certification Director:

Norbert Lohl

Approvals & Standardisation Director:

Francesco Banal

Administrative director:

Markku Junkkari

Activities of the Agency

1. Product certification

Resources and working methods

Based on Executive Director's decision, a major reorganisation of the Certification (C) Directorate was implemented end of 2006, resulting in the transfer of organisation approval activities and applications management to Standardisation and Executive Directorates respectively. As previously planned, a Certification Policy and Planning department was created later on in 2007.

The recruitment programme progressed successfully. 18 new staff members joined the certification team, including experts from industry and NAAs. 128 out of the 133 authorised positions could be filled (96%), including key management positions. It must be highlighted that the revised Fees & Charges Regulation which entered into force in summer solved most of the existing budget issues related to certification activities.

As agreed between the Agency and the JAA, the Certification team took over as from 1 March 2007 the coordination of Flight Standards activities which was previously carried out by the JAA. However, no additional staff was recruited in 2007 for these activities, and all the work was subcontracted. Dedicated recruitment was planned to start in 2008.

The internalisation of certification work has continued. During the year the Agency reached a break-even-point, where more than 50% of certification project work could be performed internally, including all major projects.

Overall and with the support of NAAs experts, the Agency was able to achieve its objectives of involvement in certification projects. It must be noted that the basic level of technical involvement but also the administrative efforts differ significantly from project to project.

For non-EU projects the Agency relies to a certain extent on the capabilities of foreign aviation authorities and their certification work. In absence of approved design organisations these primary certifying authorities provide compliance statements with applicable requirements. Different Working Arrangements and Bilateral Agreements apply.

Working methods (involvement determination, cooperation with foreign authorities) and related internal quality procedures and handbook were further enhanced. The MB decision on outsourcing was revised, together with the amendment of the certification procedures. Finally, planning & reporting tools were improved. In particular, a close control of worked hours per project has been implemented, although still subject to technical limitations.

As a result of these improvements, all remaining certification-related findings resulting from the FAA Confidence Building process were successfully closed in 2007.

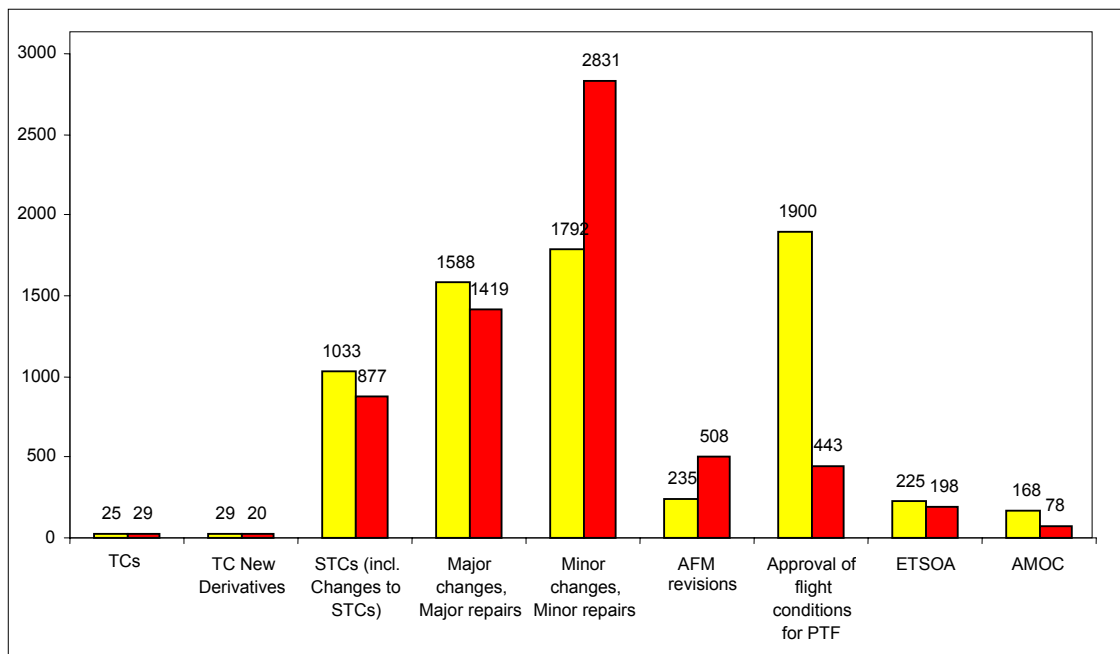
Furthermore, no appeals, court cases or significant complaints related to technical work were lodged.

Unlike the above achievements, the intended involvement of certification experts in the approval and surveillance of Design Organisations was not as satisfactory as expected. Only 35% of the planned involvement was performed mainly due to lack of resources. However, support was provided to Rulemaking in the fields of DOA concept (NPA 16/2006), study on Flammability Reduction Means, EU-US Bilateral Agreement, EU-Canada Bilateral Agreement. Importantly, the first draft on the generic special condition applicable to high performance very light jets was also prepared by the General Aviation Section.

Airworthiness and environmental certification of Products, Parts & Appliances

The number of certificates and approvals issued in 2007 matches the expectations, as shown in the table below, except in the field of approval of flight conditions for Permits to Fly where the number of applications was overestimated due to a lack of past experience (It was a new activity for EASA in 2007). It can be expected that the number of minor change and minor repair approvals will further decrease over the next years in line with the increasing number of approved design organisations.

	Nr of certificates planned in 2007	Nr of certificates issued in 2007	Achievement
TOTAL:	6995	6403	92%



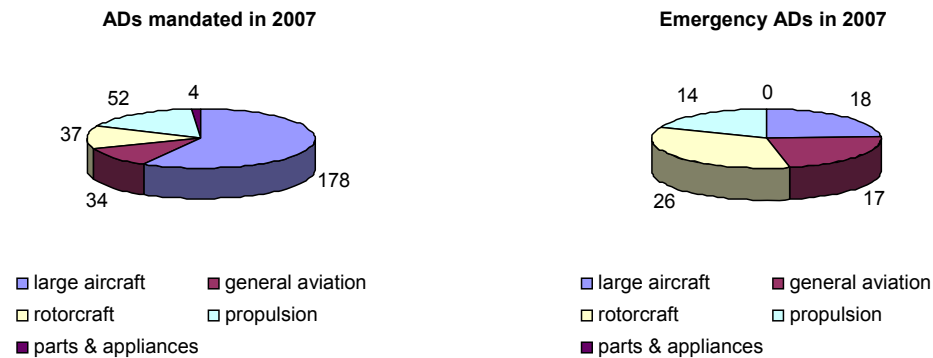
Continuing airworthiness oversight of Products, Parts & Appliances

The continuing airworthiness during their entire lifecycle of Products, Parts & Appliances it has approved, is considered as one of the core elements for the achievement of the Agency's safety objectives, which allows being proactive and taking appropriate measures before potential safety risks develop into serious events. The Agency's related work is not driven by applicants' demand but entirely associated to the Agency's safety objectives. Its extent and therefore related costs are laid down by management decisions.

Due to its limited resources on the one hand and urgencies in the handling of new applications on the other hand, only 55% of the planned continuing airworthiness work could be performed. However, the lack of information received from NAAs regarding the amount of work actually performed for continuing airworthiness led to some uncertainty as regards their involvement level in this activity.

As one key outcome of the above activity, the Agency mandated the following corrective actions (Airworthiness Directives):

	Nr of ADs mandated in 2007	Nr of Emergency ADs mandated in 2007
TOTAL:	305	75

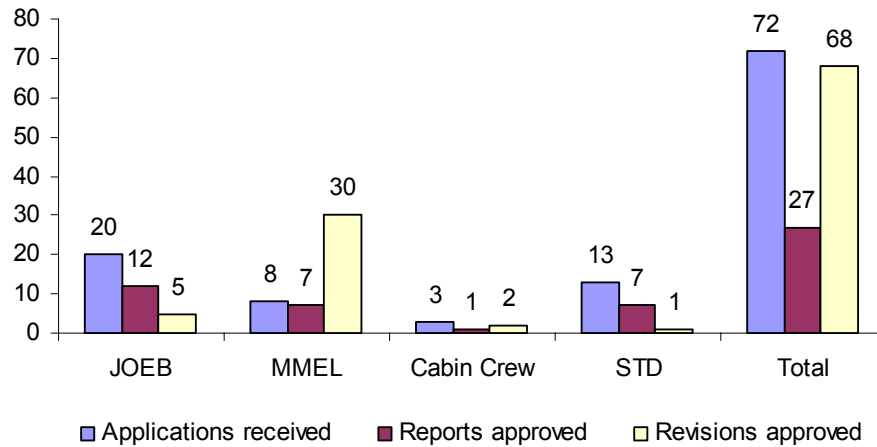


In addition, long term actions have been performed, such as the creation of an Airworthiness Information Network with the Civil Aviation Authority of Singapore (CAAS) following the first delivery of A380 by Airbus to Singapore Airlines. Airworthiness review meetings with officials of the Scandinavian and Canadian authorities as well as representatives of the aircraft manufacturer Bombardier and component manufacturer Goodrich were also organised, as a follow up of the release of Airworthiness Directives due to several landing gear incidents with the Bombardier Q400 (Dash 8) of the Scandinavian Airlines (SAS) in September and October.

Flight standards related activities

These activities comprise inter alia the Joint Operational Evaluation Board (JOEB) process, and the approval of Master Minimum Equipment Lists (MMEL), Cabin Crew Type Training and Synthetic Training Devices (STD).

The volume of related activities during the year is presented in the following schema:



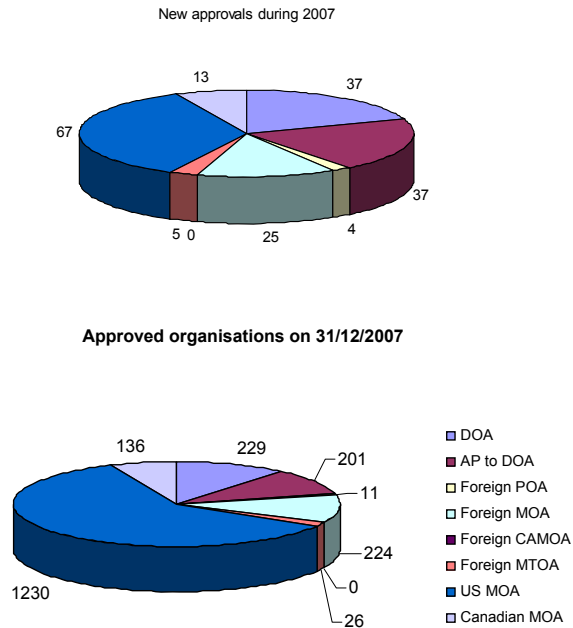
As regards Maintenance Review Board (MRB) activities, 28 new applications were received and 30 revisions of already approved reports were accepted.

Certification Objectives 2007		Comments	Partly met	Met	Exceeded
Product Certification	Internalise to the maximum extent the large aeroplane projects using compact teams	Certification teams are limited to one expert per discipline		X	
	Completion on 27/03/07 of transfer of new Member States products			X	
	Implement a small team of support officers to assist the managers of the directorate.	Certification Policy & Planning department was established		X	
	Continuation of major certification programmes More than 5000 approvals to be delivered	6403 certificates & approvals issued			X
Flight standard	Transfer the activities carried out under JAA responsibility to EASA on 01/01/07 without major disruption.	All ongoing projects continued without disruption		X	

2. Organisations approvals

Following the reorganisation of the Agency at the end of 2006 the Organisations Department became part of the Approvals & Standardisation Directorate. Since the transfer concerned the department as a whole, no disruption occurred and the continuity of the activities was ensured during the first months of 2007.

The figures related to organisation approvals are presented in the following schemas:



Further promotion of the Design Organisation Approval concept

A complete implementation of the provisions on Design Organisation Approvals (DOA) of Regulation 1702/2003 is a main element of the Agency's policy to ensure a fast, modern and efficient service to the industry. As explained above, an extended use of DOA privileges will also reduce the number of minor design change and repair approvals to be delivered directly by the Agency, thus further contributing to its efficiency.

Although the DOA concept is not new, its implementation is not consistent throughout Europe. Significant efforts have therefore been spent in 2007 and will be spent in the coming years to extend the use of DOAs.

Following the implementation of the Commission Regulation 375/2007 on permits to fly, several DOA holders have applied for an extension of their privileges, to include the approval of flight conditions and the issuance of a permit. Seven organisations have obtained the corresponding privileges. In this context, a familiarisation of EASA and NAA DOA staff on the new Permit to Fly requirements was organised internally, and some

support has been provided to the discussions with the FAA on the EU/US Bilateral Agreement.

In the context of internalisation of activities, 48 additional organisations were transferred to EASA Team Leaders in 2007. In parallel, 187 DOAs handled by NAAs were internalised at the end of 2007. It is worth mentioning that all German DOAs are now under direct Agency's leadership.

Maintenance / Continuing Airworthiness organisation approvals

In the field of Maintenance / Continuing Airworthiness organisation approvals the Agency has mostly outsourced the technical investigations to Member States' NAAs. However, a small number of highly qualified experts have been recruited in house to maintain and develop expertise in order to manage the activity performed by NAAs.

Substantial assistance was provided aiming at establishing a working agreement with Singapore. In addition, some support was provided to Rulemaking Directorate and the European Commission for the preparation and final consultation on the Bilateral Agreement with the FAA, as well as for the discussion on a Bilateral Agreement with TCCA.

The CAO team embarked also upon a series of road shows to accredited NAAs to explain the working procedures formalised between the NAAs and the Agency, including the bilateral agreements with USA and Canada, and the rule interpretation and guidance material for applicants for Part M sub Part G approvals.

Production organisation approvals

The main achievement was the investigation work with regards to the Airbus Single Production Organisation Approval (POA). Various meetings were held to deal with the remaining open questions, including legal framework and contacts with the 4 Airbus' NAAs. France finally forwarded the Airbus SPOA application to EASA in September 2007. The initial inspections were performed by the NAAs of France, Germany, Spain and the United Kingdom on behalf of EASA.

The first coordination meetings regarding the production facilities of two European companies in China were carried out, followed by a meeting with the CAAC organised in close cooperation with Rulemaking to agree on the next steps for these projects. Subjects such as Permit to fly, and participation of CAAC inspectors in EASA audits were addressed.

Besides these activities, the initial approval process for 5 Foreign Production Organisations, the continued surveillance for the already issued POAs (outside EU) and the surveillance of the 3 Letters of Acceptance of NAV Database providers were ongoing.

Organisation approvals Objectives 2007		Comments	Partly met	Met	Exceeded
DOA	Develop the DOA concept in its existing form			X	
	Explore complementary concepts in liaison with rulemaking	Participation in meetings on NPA 16/2006		X	
Foreign organisation approvals	Find an optimum balance between the approvals performed by in-house personnel and those outsourced to NAAs.	Concerns maintenance/CAW organisation approvals		X	

3. Standardisation

Resources and working methods

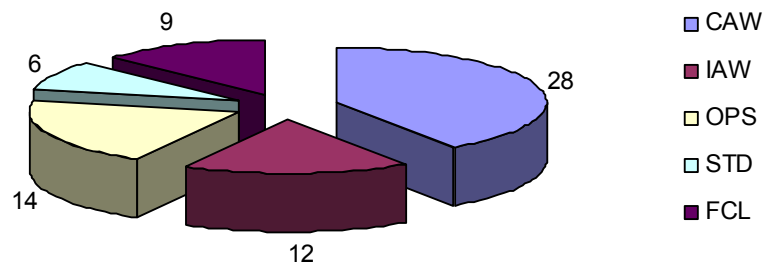
The recruitment of additional staff following the approval by the Commission of the Regulation on Standardisation Inspections during the middle of 2006 (Commission Regulation (EC) 736/2006, OJ L 129/10 of 17 May 2006) was successful and all the foreseen Team Leaders were recruited by the end of the year. Unfortunately one staff member left in December so the team is still missing one staff member. EASA's inspection teams were also well supported by Member States' NAAs. Indeed, 88% of the Team Members for initial airworthiness and 70% for continuing airworthiness were provided by NAAs.

Pending the extension of the remit of the Agency to OPS, STD and FCL, and according to the FUJA report, the Agency took over already on 1 January 2007 the coordination of the related standardisation inspections to be performed on behalf of the JAA. The corresponding inspection teams were fully staffed by the NAAs including the Team Leaders whenever possible. However, the NAA support on OPS was not at the expected level, therefore EASA staff has directly participated in many visits. The manager for the coordination of standardisation activities in the OPS and STD field, and the manager for the FCL field joined the Agency at the beginning of the year and on 1 March respectively. Further recruitments have been planned as from 2009 to reinforce the teams.

In addition, EASA organised one POA standardisation meeting with all NAAs in November and two standardisation meetings related to Continuing Airworthiness in June (on Part 66 and Part 147) and in December (on part M and Part 145).

Finally, the annual standardisation review report was produced well in advance of the 31 March deadline.

Nb of standardisation visits performed in 2007



The standardisation process in the fields of airworthiness has reached its cruise regime in 2007

Although the continued surveillance was still based on a two year periodicity, the scope of the visits for larger countries has been split up in order to allow more intensive inspections. In a few critical cases, visits on the same scope were repeated after one year.

The standardisation visits in initial and continuing airworthiness have been carried out according to the planning in the following countries (* carried out on behalf of the JAA):

Continuing Airworthiness: Greece, Belgium, Cyprus, Germany (NRW), United Kingdom, Hungary, Portugal, Norway, Estonia, Iceland, France, Poland, Netherlands, Monaco *, Turkey*, Italy, Luxembourg, Slovak republic, Slovenia, Latvia, Finland, Sweden, Bulgaria, Romania, Spain, Switzerland, Croatia*, Serbia*.

Initial Airworthiness: Slovakia, Germany, Switzerland, Lithuania, Norway, Poland, Spain, Czech Republic, Finland, Sweden, Portugal, Denmark

International Standardisation Team visits in the USA and Canada (MIST): Eastern Region, South West Region, Southern Region, Western Pacific Region and Canada (Ontario Region)

Coordination of the standardisation process in Operations and Licensing

The following standardisation visits were carried out on behalf of the JAA:

Air Operations: Bulgaria, Denmark, Spain, Estonia, Iceland, Greece, Slovenia, Czech Republic, Poland, Austria, Slovak Republic, Germany, Cyprus.

Synthetic Training Devices (Simulators): Finland, Belgium, Italy, France, UK, Netherlands.

Flight Crew Licensing and Medical: UK, Norway, Serbia, Spain, Slovak republic, Slovenia, Luxembourg, Czech Republic.

Ad-hoc inspections on request of the Commission: Cyprus, Bulgaria (OPST, FCL). Indonesia (OPST, FCL).

Assessment of third country safety oversight

The standardisation department carried out all the visits requested by International Cooperation department in the context of the working arrangements (Brazil, India, Russia, Singapore and Ukraine).

Accreditation process for allocation of certification tasks

As regards the accreditation process, the following visits were performed:

Stand-alone accreditation audits on IAW not including Part 21 G: Czech Republic (twice), Norway , Ireland, Denmark , Germany, Poland, Belgium

Combined accreditation audits on CAW on Part 145: Spain, Netherlands, Turkey, Italy

Combined accreditation audits on Organisation Approvals on Part 21 G & J: Czech Republic (twice), Poland, Germany

In addition, the main output was the complete revision of the accreditation status list of accredited NAAs.

	Standardisation Objectives 2007	Comments	Partly met	Met	Exceeded
Standardisation	Fully operational. Preparation for the extension of the remit to OPS and FCL	Recruitment delayed in line with delay in IRs		X	
	CAW standardisation of 22 EASA + 3 non-EASA NAAs completed by December 2007	24 EASA countries + 4 non EASA countries			X
	13 inspections for Initial Airworthiness	12 inspections Ireland postponed at their request		X	
	3 MIST visits	5 MIST visits			X
	Organisation of all-NAAs standardisation meetings			X	
	Production of the annual review report			X	
Assess. of third countries oversight	Assessment of third countries' safety oversight system in accordance with Bilateral Agreements or WA. All requests of other Directorates satisfied by 12/07			X	
Accreditation	Accreditation Process fully in place by January 2007			X	
	Accreditation programme fully completed by December 2007	all requests were answered		X	

4. Rulemaking

Resources and working methods

The anticipated staffing in the field of airworthiness could not be fully materialised due to financial constraints. Staff members were therefore successfully recruited according to an updated recruitment plan which only foresees full staffing by mid-2008.

Rulemaking had also to strengthen the flight standards team to prepare the extension of the Agency's scope to OPS, FCL and third country aircraft. In addition, the staff carried out the transfer of the JAA rulemaking tasks and associated files, together with the coordination of JAA and EASA rulemaking programmes and the chair function of Sectorial Teams, according to the FUJA report cited above. Unfortunately, some of the recruitment procedures were unsuccessful due to a lack of qualified candidates in the fields of OPS and FCL and had to be relaunched.

Performance against objectives was closely monitored and the Agency reported regularly to the Management Board and the advisory bodies. As usual the planning process for 2009 was initiated in November. The Agency's rulemaking business planning cycle was strengthened through the development of indicators to evaluate the necessary resources and ensure that the best use is made of the available ones.

The Agency and the FAA adopted a rulemaking cooperation procedure that is now published on both organisations' web-sites and initiated discussions with TCCA to include it in this cooperation process. The transatlantic co-operation aims to align the authorities' rulemaking programmes by exchanging their rulemaking needs and agreeing on common priorities. Rules of common interest, which can be jointly developed by EASA, FAA or TCCA, are identified in order to avoid unnecessary duplication of work and optimize the use of resources. Constant communication during the development of the rules will provide for the necessary harmonization.

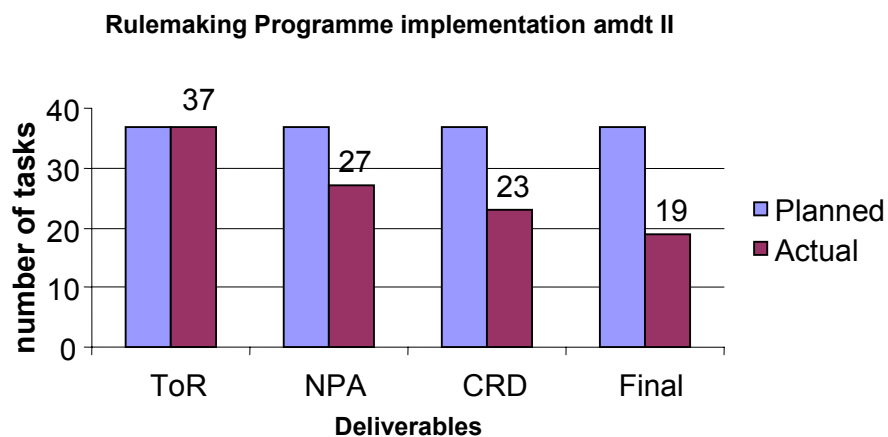
As regards rulemaking procedures, implementing procedures were adopted and published on the Agency's website, the process for the issuance of A-NPA and Guidance Material was slimmed, and the rulemaking procedures adapted accordingly. Furthermore, an electronic tool (the Comment Response Tool) for the consultation of draft rules was successfully put into operation.

Implementation of 2007 Rulemaking programme

The result of 52% of implementation of the 2007 Rulemaking Programme must be considered in the light of the previously mentioned cut to the staffing plan on which this programme was based. Furthermore, four rules, which had been originally planned in 2007, were deliberately delayed to help reaching a consensus or to avoid making several modifications to Part-M within a short period of time.

In this context, it shall be noted that the performance is only calculated based on the number of final deliverables; this does not show all the preparatory work done. The table below gives a better picture of that work.

In addition to that work, progress has also been made on the tasks contained in 2007 advance planning with the establishment of Terms of Reference, and publication of NPAs for rules that will be delivered in 2008 and later.



The following Opinions were issued:

- ✓ The Opinion on extension of the EASA system to the interoperability and safety regulation of aerodromes was issued at the end of the year;
- ✓ The Opinion on Continued operation of aircraft designed in the Soviet Union and currently registered by Member States was issued beginning of the year;
- ✓ Two opinions relative to permit to fly were issued during the year.

The decisions adopted by the Agency and the A-NPA are presented in Annex 1 of this document. It must be highlighted that, in 2007, the Agency worked actively on the development of the draft implementing rules for OPS and FCL with the support of the respective rulemaking working groups. However, the initial target dates for publication of the NPAs were not met because of the late publication of the new Basic Regulation in the Official Journal. Additionally, the Agency rescheduled the publication of the NPAs, on request of rulemaking groups that wanted more time to produce a better deliverable.

Preparation of 2008 Rulemaking workprogramme

The identification of the rulemaking workprogramme for the coming year was discussed with the advisory bodies and the FAA to ensure the best possible harmonisation. On the basis thereof, the Agency assessed prioritisation between the different measures, aimed at achieving safety and environmental improvements, and balanced it with the resources at its disposal. These elements were subsequently captured in the 2008 rulemaking programme, adopted by the end of the year.

As mentioned before, the Agency started implementing the advanced planning, in particular as regards the following tasks:

- ✓ The Flight Standard team worked actively on the drafting of implementing rules related to the extension of the Agency scope to OPS, FCL and third country aircraft.
- ✓ To prepare for future work, 30 Preliminary Regulatory Impact Assessments were produced to support the prioritisation of 2009 tasks and support was provided to 40 rulemaking groups.
- ✓ In the same perspective, in order to make available the necessary technical support, the call for expression of interest allowing the establishment of lists of experts was renewed to encompass additional domains of expertise.

Other activities

On the top of its statutory rulemaking activities, the Agency supported the EC in finalising work on EU-OPS and in handling exemptions thereto.

In relation with Article 10.3 and 10.5 exemptions, the Agency managed a significant flow of activity to support the Commission's decisions. A database has recently been created to better register and manage such exemptions internally.

Finally, in terms of relations with ICAO, the Agency contributed actively by participating in the ICAO Airworthiness and Operations Panels and by supporting the Committee on Aviation Environmental Protection work through a strong involvement in its Steering Group and various working groups.

Communication and cooperation with stakeholders

The Agency communicated through a variety of means and maintained close relations with its stakeholders. Regular discussions were held with representative bodies, and the Agency provided expert speakers at conferences, briefings and meetings where subjects of importance affecting its activities were discussed. The Rulemaking team organised and contributed to several workshops.

Rulemaking Objectives 2007	Comment	Partly met	Met	Exceeded
The Directorate undertakes: To commit 90% of its operational budget. To finalise the R-Directorate manual and implement the adopted Agency Quality management system standards			X	
Fully implement its 2007 Rulemaking programme. The indicator is the number of final deliverables produced	52% of the workprogramme was performed	X		
Initiate 90% of the tasks identified in the advanced planning as starting in 2007. Indicator is the number of tasks actually initiated.	56% of the advanced planning was initiated	X		
Organise 2 European and 13 regional workshops on selected IRs and associated parts.	5 European + 12 regional workshops were organised			X

5. International cooperation

Bilateral agreements

The Agency provided a technical support to the Commission in the negotiation of the Bilateral Aviation Safety Agreements (BASA) with the US and Canada. The associated guidance material (Technical Implementation Procedures) was completed for the US BASA and was developed for the Canadian one. Progress was also made in the area of environmental protection confidence building with the FAA: in that context EASA provided FAA with an EASA environmental protection certification procedures document.

Working arrangements

A Memorandum of Understanding was signed with the "Agencia Centro-Americana de Seguridad Aeronautica" (ACSA).

A working arrangement on airworthiness was signed, together with its implementation procedures with New Zealand.

Several working arrangements were amended or expanded (Interstate Aviation Committee – IAC, China, and Japan); other ones are still under development (India, United Arab Emirates (UAE), Argentina, Saudi Arabia, China Taipei, and Australia).

Ukraine and Albania signed the working arrangements on the collection and exchange of information on the safety of aircraft using Community airports. All ECAC non-European Union States have therefore signed a working arrangement with the Agency, allowing for their continued participation in the Safety Assessment of Foreign Aircraft (SAFA) Programme.

Technical cooperation:

The Agency provided support to the definition of European assistance projects (e.g. Democratic Republic of Congo, Balkan countries, India, Indonesia, South-East Asia and South Asia) and the management of Community Programmes (e.g. Mediterranean countries – EUROMED and Russia);

The International Cooperation team participated in two programmes aiming at a regional co-operation in South Asia and South-East Asia, as a continuation to the European Union projects in these regions;

A Convention was signed with the European Commission for the management of a CARDS Programme for the Balkan countries.

Finally, seminars were organised (ACSA, China, South-Asia, and South-East Asia) to support several third countries' civil aviation authorities in their effort to improve their capabilities.

Relations with ICAO

The Agency participated in the Steering Committees of several ICAO COSCAP and provided support to the Commission in its preparation for the ICAO General Assembly.

Assistance was provided to Member States in fulfilling their obligations under the Chicago Convention by co-ordinating the preparation of answers to ICAO State Letters and by facilitating preparations for the ICAO Universal Safety Oversight Audit Programme in its area of competence.

International relations Objectives 2007	Comment	Partly met	Met	Exceeded
Conclude working arrangements with at least three of the following States: India, Singapore, Argentina and ACSA.			X	
Expand working arrangements with Israel and Brazil.	WA were established with other countries	X		

6. Safety Analysis

According to the recruitment plan, 1 Safety Database Officer and 2 Safety Analysts were recruited in 2007, bringing staffing level of the Safety Analysis Section to five and thus strengthening the team.

Safety databases and information resources

Work continued on building safety data infrastructure. Data link software to automatically exchange data with other ECCAIRS users was installed on a test basis. Information from available aviation registers was combined in a data base to enhance the quality of accident and occurrence data and to speed up data input. A project was also developed to contract out the development of a data warehouse for exposure data, e.g. aircraft flying hours, number of departures by airports, ... Finally, ICAO ADREP data (de-identified) was made available to EASA staff on the intranet by deploying a software tool called WEBDAS.

In addition, the Agency provided data and expertise to support the work of the ICAO Safety Indicator Study Group (SISG). Two updates of the ADREP 2000 taxonomy used in ECCAIRS were coordinated with users, and guidance on the coding of occurrences was made available to States at a Standardisation workshop conducted in November 2007.

Safety analysis – knowledge from data

Internally, the Safety Analysis Section contributed to the work of the ISC by providing regular updates on safety trends emerging in 2007. Working papers for the ISC on accident rated by aircraft type, accident experience of large aircraft, cabin crew injuries and stand-by attitude indicators were thus provided.

Finally, the Annual Safety Review (ASR) 2006 was published in English in June 2007.

Working with the international Air Accident Investigators

In 2007, the Agency has received 54 new final Safety Recommendations and produced 68 replies, while the total number of Safety Recommendations addressed to the Agency before 2007 was 108. Five Internal Accident Investigations Committee (IAIC) meetings were held for the coordination of responses to Safety Recommendations and the communication on active investigations.

On the top of the activity previously mentioned, the Agency participated in major accident investigations in the context of:

- ✓ on-site activities related to the Airbus A320 runway overrun on 17 July 2007 in Sao Paulo and supporting activity during the review of the procedures with one reverse inoperative;

- ✓ communication with the Danish and Lithuanian AIBs in the scope of the successive Dash8-Q400 accidents and the grounding of the aircraft fleet in Scandinavian countries;
- ✓ follow-up of the Twin Otter accident in the French Polynesia on 9 August 2007 and issuance of an urgent Safety Recommendation
- ✓ follow-up of accidents including the Airbus A320 runway overrun on 26 October 2007 in Butuan (Philippines) and the Airbus A340 runway overshoot on 20 November 2007 in Quito (Ecuador).

In order to strengthen the links with EASA's partners, the Agency participated in ECAC and ISASI meetings working on the improvement of the cooperation with AIBs. A new external website page has been designed giving a summary of the tasks and functions of the Accident Investigation Section.

Finally, the Agency enhanced its capability with the purchase of a flight data analysis and animation system and the acquisition of a world database of airports and procedures.

The Agency's support for international safety initiatives

The European Strategic Safety Initiative (ESSI) is an aviation safety partnership between EASA, other regulators and the aviation industry, created as a follow up of the JAA initiative (JSSI). The Agency took over as from 1 January this activity, which grew to consist of three European aviation safety teams.

For commercial aviation ECAST and US CAST, with their different work plans coordinated to develop safety enhancements.

EHEST, the helicopter branch of the ESSI, and also the European component of the IHST, made significant steps forward supporting regional safety analysis teams to conduct the work that will form the backbone of the safety team's activities.

The foundations were established for a General Aviation Safety Team (EGAST) to promote and initiate, for all sectors best practices and awareness in order to improve safety, thereby reducing the accident rates.

Safety Analysis Objectives 2007	Comment	Partly met	Met	Exceeded
Strengthening of the team through various recruitments	The 3 planned staff members were recruited		X	
Development of ESSI	EGAST was set up.		X	
Participation on IHST	EHEST and IHST coordinated and cooperated to lead the way.		X	

7. Research

With the arrival of a Research Project Manager in October, the Agency created an Internal Research Committee (IRC) as an information and coordination platform for research matters. It acts upon significant safety issues by recommending short term research projects, assists the Research Management in coordinating and prioritising research project proposals and makes recommendations to the Internal Safety Committee (ISC) regarding research commitments.

In May 2007 JAAC and the Agency decided that the coordination of research activities, which was achieved in the past through the JAA Research Committee, should continue as a Partnership Group with possibly an extended membership towards a broader network. This new group was formed end of 2007 now comprising of the members of the former JAARC plus the IRC.

EASA research projects

In 2007 three projects, each of 11 months duration, were decided to be funded by the Executive Directorate following a successful tendering process and for a total budget of 424.280,00 €.

In addition, the Agency has prepared and overseen the execution of 14 contracts for advanced studies to support Rulemaking activities signed in 2006 and 2007.

Participation in Community projects

Work has been initiated with the Commission to examine the conditions of a structured involvement of the Agency in long term Community research activities impacting the EASA system through the programming and the implementation of projects of the 7th FPRTD (sub-theme 7.1 Aeronautics and Air Transport), and interfaces with aviation initiatives like SESAR, GALILEO and CLEAN SKY.

The Agency also participated in and contributed to various ACARE working groups.

Safety Analysis Objectives 2007	Comment	Partly met	Met	Exceeded
Strengthening of the team through various recruitments	1 research project manager		X	
Writing of procedures for the management of research projects funded by the Agency	IRC has been established and is operating with the associated procedures in place.		X	

8. SAFA

Taking over from the JAA

As of 1 January 2007 the SAFA coordination activities were transferred from the JAA to the Agency. Due to unsuccessful recruitment procedure, the Director of the Approvals and Standardisation Directorate has been acting as Head of Department. Two SAFA officers were recruited, middle of March 2007 and early October respectively. The recruitment of the secretarial support was also completed in the last quarter of the year.

The SAFA database was successfully transferred from the JAA to the EASA premises in Cologne, ensuring the continuation of the service along the same lines. Due to recent requests from SAFA ASC, work started in the second half of the year to define the specifications and implement a major update to the SAFA web-based application that will enhance the harmonisation level and provide SAFA participating states with new functionalities (pre-described findings, better support for follow-up actions and for focusing inspections). The SAFA website was also reviewed in order to be in line with the new organisational setup of the EC SAFA Programme. The old SAFA community was then migrated from CIRCA to SINAPSE, also hosted by the EC services, in order to take full advantage from the additional functionalities and user-friendliness.

Ongoing SAFA activity

Regular analyses on a three month basis as well as ad-hoc analysis requested by the Commission to support Black List decisions have been performed. The analysis of SAFA data has been delivering important indicators concerning the overall safety level of airlines operating in Europe, which helped identify potential risk factors and direct qualitative targeting.

Finally, in support of the Commission policy on international cooperation on exchange of safety data, exploratory technical discussions have been initiated with FAA for mutually sharing data between EC SAFA Programme and FAA's IASDEX Programme.

SAFA Objectives 2007	Comment	Partly met	Met	Exceeded
Successful taking over of these activities from the JAA			X	
Successful transfer of SAFA database			X	

9. Support activities

Internal audit, risk analysis and quality

As part of the reorganisation implemented in 2006, the quality section, which was initially hosted by Standardisation Directorate, joined the Internal Audit department. In 2007, with the recruitment of a quality section manager and a second internal auditor the Internal Audit and Quality Team was fully staffed. The result of which was the strengthening of its active role at the Agency.

Internal Audit

During the course of 2007, the first full year of the auditing activity, the department performed 5 audits on operational and administrative processes, thus exceeding the objectives. The purpose of these audits was to assess the level of internal control and compliance with regulations. For each audit, recommendations were proposed to the auditees and a specific action plan was issued.

The department also coordinated external audits by the European Court of Auditors and the Commission Internal Audit Service (IAS). Conclusions of the IAS follow up mission highlighted the high level of implementation by the Agency of the recommendations to improve the internal control system.

Risk Assessment

Following a risk analysis and the external study on operational activities with a view to determining the impact on the non contractual liability, the Agency reached an agreement with the Commission on this issue. According to this agreement, EASA should not take out an insurance policy against risks related to non contractual liability and any possible damage caused by the Agency is completely covered by the Community budget.

In addition, a complete high level risk analysis exercise was performed from August to November. The Agency identified critical risks for which specific mitigation actions were defined. These high level risks were recorded in the Agency risk register created and adopted before the end of the year.

Finally, a detailed risk analysis was carried out at the occasion of each audit mission and the output was enclosed in each audit report.

Quality

In 2007, the Agency decided on the 2010 target date to validate the quality management system (QMS) against ISO9001.

The department set up the key elements of such a system: proposal for a quality policy, identification of the Agency's processes, drafting of a quality manual, strengthening of the quality documentation system. All working documents identified are centrally

registered and made available by the Quality section on an Intranet page dedicated to the Quality Management System.

The quality team was also assigned the task to support the National Safety Oversight Coordinators with regard to the ICAO audits performed in EU-EASA Member States. The annual ICAO NSOC coordination meeting with the member states was successfully held on 25 October, with a view to preparing the 2008 audits. The objective is to hold such meeting once a year.

Int. audit- quality and risk assessment Objectives 2007	Comment	Partially met	Met	Exceeded
Conduct a high level risk assessment exercise.			X	
Conduct detail risk assessments.			X	
Carry out at least 4 internal audit missions.	5 audit missions performed			X
Perform an annual review of internal control	The annual review of the internal control (EASA standards) related to 2006 was successfully completed.		X	
Quality Assurance programme fully implemented for operational and non-operational tasks			X	

Communication

Communication's priorities in 2007 were to intensify the Agency's institutional, corporate and political relations; to raise awareness among citizens; to enhance local community relations; to further develop internal communication; and to establish effective emergency communication procedures.

The Department contributed or organised several important events with external partners such as industry, NAAs, other Agencies, European Commission, and MEPs. Among these events, the Agency was represented at type-certification events, international aviation fairs (e.g. Paris Air Show at Le Bourget, AERO in Friedrichshafen), events organised by the European Commission (DG TREN day) and finally the EU-US Conference. EASA also participated in an awareness raising initiatives of the EU Agencies.

Specific information initiatives aimed at the general public were organised especially around the 50th anniversary of the Treaty of Rome. Additionally, an EASA advertisement campaign – "Your safety is our mission" – was conducted in international newspapers and aviation magazines to raise awareness on the Agency's scope of work. A corporate EASA DVD was developed and produced in three languages. The DVD is shown at the occasion of information events to the general public and stakeholders. Last but not least, the Communications Department answers to all media enquiries within the shortest

period of time possible and actively approaches specialised and general journalists to report on EASA's developments.

With a view to improve the Agency's crisis management and communication, seminars with external consultants were organised with the Directors. A working group was formed in late 2007 to elaborate a comprehensive crisis management plan involving different disciplines within the Agency.

The Communications Department launched the new state-of-the-art Intranet on 1 June, along with special tutorials for uploading information. At the same time, a new, multi-lingual and more user-friendly website has been designed and was launched beginning of 2008. The Communications Department also developed mini-sites for the 2007 EU-US conference and the European Strategic Safety Initiative (ESSI).

Last but not least, an internal communication policy was approved by the Executive Director and measures such as the new Intranet, weekly news summaries, lunchtime lectures, day-outs for Administrative staff, etc. were organised to enhance communication within the Agency and between Directorates.

Communication Objectives 2007	Comment	Partly met	Met	Exceeded
Joint information actions with NAAs and other EU Agencies			X	
Specific information initiatives aimed at the general public				X
Annual revision of external and internal communications strategies and priorities				X
Crisis communication			X	
Raising awareness of Agency's				X
Web content and intranet development: continuous content update and tools improvement				X

General management and legal support

The Executive Directorate ensured as usual the coordination of horizontal activities. In particular, the secretariat of the Management Board was provided. This task includes also the preparation of the planning and reporting documents requested by the Basic Regulation. The Agency performed in 2007 a complete planning exercise:

- ✓ The first Business Plan 2008-2012 was developed, under the responsibility of Plans and Programmes department, and circulated for consultation by the ENACT group, the Budget Committee, and the EAB as regards the proposed indicators. It was finally adopted by the MB in December.
- ✓ The PDB and Work programme 2008, as well as the activity report 2006 were established and adopted by the Management Board.
- ✓ The Agency Staff Policy plan 2008-2010 was produced under the responsibility of Plans and Programmes department and in close collaboration with the Human Resources section.

The ED Counsel provided the secretariat support to the external evaluation of the Agency undertaken according to the Article 51 of the basic Regulation. This evaluation will be finalised in 2008.

The EASA/US annual conference which was held in June in Prague was also organised. This conference was a great success with more than 400 attendees.

As from 1 March, the Executive Director took over, with a strong support of the Administrative Directorate, the role of coordinator of the EU regulatory agencies for a one year mandate. During this year the EASA organised a number of heads of agencies' and heads of administration's meetings and represented the 27 regulatory agencies at the Parliament and the Commission. An important achievement of this mandate was the creation and implementation by the Administrative Director's office of an Inter-Agency Website hosted by the Commission's Directorate-General Secretariat-General.

The ED Counsel coordinated the implementation of the FUJA report, established in 2006 by a joint JAA and EASA team in order to organise a smooth transfer of tasks from the JAA to EASA, in view of the extension of EASA's remit to OPS and FCL. EASA Rulemaking, Standardisation, Certification Flight Standards teams took care of these technical tasks as from 1 January 2007. In addition, the Administrative Directorate organised the installation of the new JAA LO entity into EASA's premises and recruited the dedicated staff.

Last but not least, during 2007 the Counsel/Legal Department provided strong legal support to EASA Directorates related to legal requests, EASA-NAA next generation contracts, the pool of experts concept and to an appeal against an Agency decision, which appeal was ultimately withdrawn, external requests for access to documents, data protection issues, (European Ombudsman) complaints, and whistle blower cases were also handled.

Finally, the Legal Department organised a legal workshop on "Non-criminalisation of aviation safety regulators" in June 2007, which was attended by representatives of the NAA's legal departments.

General management Objectives 2007	Comment	Partly met	Met	Exceeded
Management board secretariat			X	
Co-ordination activities, drafting of the annual activity report, of the preliminary draft budget and of the work programme			X	
Facilitate the establishment of the JAA Liaison Office in Cologne.	JAA installed on floor 8 th with full infrastructure services.		X	
Facilitate the organisation of the 2007 Europe/US International Aviation Safety Conference.			X	
Production of a three year staff policy plan	Adopted by the MB on 28 March 2007		X	
Advise on legality and regularity of Agency's measures			X	

Management of applications

Following the reorganisation implemented in 2006, Programme Department left Certification Directorate and a new Plans and Programmes Department was created within the Executive Directorate, in charge of, among other tasks, business planning, management of applications and certificates, and management of outsourcing contracts with NAAs.

Focal points have been established for all major customers. In this respect the department is not only the entry point for applications but also for all related inquiries and questions. Staff members were trained accordingly through 'technical' and 'soft skill' courses.

Plans & Programmes department has taken the lead of the interdisciplinary working group at the Agency dedicated to the new Fees and Charges Regulation 593/2007, with the objective of harmonising and steering all issues and activities related to the revised Regulation. As part of the follow up on the implementation of the revised Regulation, some adaptations were needed at the Agency due to the change of the certification fee structure from an hourly based fee to a flat fee system. An important consequence of this new fee structure was the cancellation of a number of applications. A number of

meetings with individual companies were also organised to explain and provide interpretation on the fees to be charged.

It must also be highlighted that the core databases for applications and certificates were migrated from Access to Oracle in 2007. Further migrations to professional IT tools will be done along with the implementation of the ERP system.

P&P Objectives 2007	Comment	Partly met	Met	Exceeded
Improve the processes in the programme department for increased customer awareness.				X
Gradually introduce the capacity to automatically assess the costs of individual certification projects	The database has been improved, but the objective will be fully reached with ERP	X		
Complete the porting of the home-made tools to professional IT solutions. Actively start the implementation of a complete professional integrated IT system.			X	

Management of outsourcing contracts with NAAs

Various improvements were made regarding the administrative cooperation between EASA and contracting NAAs, i.e. budget planning and commitments, reporting and invoicing. More staff, improved procedures and better IT tools in the NAA Relationships Section were the basis for a more efficient cooperation with NAAs in these areas.

As regards contracts with NAAs, two new additional framework service contracts were concluded between the Agency and NAAs: IAA (Ireland), valid from July 2007, and FOCA (Switzerland) valid from January 2007. In view of the expiry of most of the framework contracts with the other NAAs by the middle of 2008, negotiations started about the next contract generation. A kick-off meeting with all NAAs was held in October, where the first draft contract was presented and discussed. Comments received from all NAAs until the end of 2007 were taken into account for a further development of the document.

Based on an initiative of the ENACT Working Group, an EASA/NAA working group was established to prepare a common Pool of Experts in order to enable an efficient use of the limited expertise currently available within EASA and NAAs. A concept paper, a database tool and a draft inter-NAA arrangement was developed by this working group and endorsed by ENACT before the end of 2007.

Human Resources

As part of the agency's framework for staff management initiated in the year, a complete first round of performance appraisal was completed. As a result, the first proposals for promotion were made for the eligible staff members.

HR IT applications have been developed and a number rolled out to replace packages inherited from the Commission. These applications cover: a central personnel database; electronic job descriptions and performance appraisal workflows, individual benefits and school allowances on-line; new applications for mission expense claims and leave management; and a web-based recruitment tool.

On the social side, the year saw the official opening of the European kindergarten with 30 places for EASA children. An external service provider was also contracted as the company doctor and for other occupational health services, including the annual medical checks required by the Staff Regulations.

The approval of the 2008-2010 staff policy plan was an important milestone as it provided visibility to recruit the necessary agency staff. The following table provides recruitment data during the year:

New temporary agents recruited	70
Acceptances from selected candidates received	28
Resignations handed by active temporary agents	13
Selection procedures	103

Due to budgetary constraints in the first half of the year 2007, the figures of the recruitment plan had to be reduced from initially planned 467 (as reflected in the establishment plan) to 343 TA, of which 338 posts were filled on 01/01/2008. Table 05 in Annex 4 shows further details on the staffing situation (TA) in comparison to the staffing plan 2007 of the latest amended budget.

HR Objectives 2007	Comment	Partly met	Met	Exceeded
Complete the first year of performance assessment for staff based on previously established individual objectives, and implement the first annual merit-based promotion exercise	The promotion exercise started in 2007		X	
Recruit candidates for all positions available in the establishment plan.		X		

General training

The HR team boosted the staff development with the launch of a rich offer of general courses such as language, finance, IT, stress and time management; and communication training to managers, to mention a few.

The training needs analysis was done by means of the annual performance assessment where the skills and the job requirements can be analysed and documented. A survey was also launched, leading to the implementation of new trainings requested by staff members. The feedback received from HoD's about organisational needs was another source of information. However, an online training tool is still missing, which would smoothen the process and enable a more structured approach to training. The appraisal tool will hopefully be linked with such an online application soon.

Training Objectives 2007	Comment	Partly met	Met	Exceeded
Support the development of competences through a staff training policy, based on training needs analysis and in line with organisational priorities and supported by an online training platform for office automation applications.	<p>The training policy is intended to be finalised in 2008.</p> <p>Training needs have been analysed.</p> <p>However, we are still lacking an online training tool</p>	X		

Technical training

Internal technical training

The two foreseen additional technical training officers with OPS and FCL background were recruited beginning of the year and early June respectively.

The training material for a significant number of additional courses (15) was developed. Existing courses (12) were updated from both the content (e.g. by incorporating novelties published as AMC/GM material) and the design point of view.

The figures related to the 20 different internal courses delivered during the year, out of 36 already available are presented in the following table:

	Nr of sessions delivered	Nr of Attendees	Average Nr of attendees per session	Total Training Delivery Days
Total	42	329	7,8	433

Training to NAA experts

In addition to training of EASA staff, the Technical Training team has been ensuring the training of the NAA inspectors assisting the Agency in carrying out standardisation visits. During 2007 14 trainings have been delivered overall, including an off site training session on the premises of UK CAA. Additional training course in the domain of Flight Crew Licensing & Medical was developed and delivered to 95 external participants.

Trainings to NAA experts covering specific topics have been developed in the following fields: Fuel Tank Safety, Production Organisations Approvals, CAMO Approvals, PART 145 Maintenance Organisations Approvals and Part-66/147 issues. These above mentioned needs have been identified at the occasion of Standardisation inspections, FAQs, and/or following specific requests initiated by NAAs.

As regards SAFA training, SAFA Initial and Continuation training programmes have been prepared and the technical criteria for training providers have been established. They will be used in either the existing SAFA regulatory framework in force in 2007 or the expected new SAFA regulatory framework. In addition, the SAFA training policy has been submitted to the EC for review, in order to provide legal coverage to the concept of SAFA 'qualified' inspectors.

E-examination

The prescribed contents of the courses (syllabus) on the applicable list established by the dedicated Working Group were drafted and submitted to internal & external consultation. Final versions have then been published on the Agency's website to support the e-examination programme.

At the beginning of the year a set of meetings was organised with Lplus, the external contractor for the E-examination tool selected at the end of 2006, where the product was presented and the first parameterisation took place. Monthly meetings were then held from May onwards to specify the elements needed for an effective adaptation of the shelf solution. Those meetings offered also an "on the Job Training" opportunity to the staff involved in the project.

The MCQ editorial tool allowing review and release of questions was installed on the Agency IT system. 650 MCQs were developed. A draft of the related contractual arrangements ("license agreement") was developed together with supporting annexes and its legal review was initiated.

Technical training Objectives 2007	Comment	Partly met	Met	Exceeded
Technical training for internal requirements fully completed, and training services for NAA seconded standardisation inspectors in place in Dec 07			X	

Finance, budgeting and contracts

The uncertainty concerning the fee based income was lifted with the entry into force of the new Fees and Charges Regulation on 1 June 2007 (EC 593/2007). With the new scheme the Agency is charging (in most of the cases) upfront a flat fee corresponding to the services to be provided within the next 12 months. In the second half of the year the level of income from certification and approval activities was for the first time sufficient to cover the associated costs.

As a consequence of the entry into force of this new regulation, the revenue from fees and charges were deemed as assigned revenue for the Agency. The legal basis was confirmed in the new Basic Regulation 216/2008, including those collected in 2007. Once this provision was also included in the Agency's Financial Regulation adopted by the Management Board in December, after having received the Commission's approval, the Agency was able to carry over an amount of 14.865 K€ to finance the certification tasks to be performed in 2008. Tables 1 and 2 in Annex 2 provide a summary of the budgetary outturn balance in 2007.

By the end of the financial year the Agency had committed 98% of the adopted budget. This beats the forecasts set despite the budgetary pressures at the beginning of the year. This is also a significant improvement compared with 2006.

The Agency also paid out around 70% of the available appropriations, the remainder being largely related to invoices not yet issued by NAAs for the outsourced work (M€ 11,4). These remaining payment appropriations were carried over to 2008. Full details are contained in the Agency's financial statements for 2007. Table 3 in Annex 2 provides a summary.

As regards working methods and procedures, the methodology for the determination of the cost of the Agency core activities has been established and implemented to provide better analytical reporting. Internal guidelines and procedures, especially for cut-off procedures have been successfully adapted to reflect the new fees and charges regulation requirements. Furthermore, the work instruction for completing annual budget plans has been drafted. The delegation system has been completely reviewed to manage the decentralised budget planning and implementation. A budget handbook has also been established.

Finally, the procurement procedure has been revised according to the new IRs. Processes below the public procurement threshold have been decentralised as much as possible. Table 4 in Annex 3 shows further details of the agency's contractual procedures, which have been finalised and / or launched in 2007.

Finance Objectives 2007	Comment	Partly met	Met	Exceeded
Subject to the results of the feasibility study, establish an analytical accounting system			X	
Finalise the feasibility study on an integrated financial and project management system to support budgetary, general and analytical accounting.	See above		X	
Set up a decentralized budget planning system			X	
Reinforce internal control procedures related to financial management with a view to evaluating the effectiveness of the internal control system and the requirements of a revised Fees and Charges Regulation.	Implementation of the ex-post control is ongoing, waiting for a new controller to start work in 2008.		X	

Information and communication technology, and facilities

Emphasis during the year was placed in consolidating the Information Services infrastructure to cater for an enhanced performance. This includes the stabilisation of the active directory, file servers and internet security, establishment of clear requirements for the delegation of control, automation of the network, system administration and software development as well as standardisation of the infrastructure.

Plans and Programmes Department, supported by the Information and Communication Technology (ICT) department, continued the preparation for an ERP system that would enhance the Agency's management information capacity and provide more detailed and readily available analytical information concerning the certification cost. The contract concluded in 2007 included the high-level architecture planning, high-level process mapping and selection of the software package. The first phase of the ERP implementation was defined to include the certification application process, invoicing and budget and general accounting. A seamlessly linked document management application will be implemented together with the ERP in order to handle, in the first phase, the applications related documents and the financial documents. The work of the integrator was planned to start in the mid-year of 2008 and to last about 12 months.

The JAA liaison office moved to the EASA premises 1 March 2007. This transition coordinated by ED office included the transfer of JAA IT applications and databases, provision of the IT and telecommunication network; and other basic office services.

ICT and technical services Objectives 2007	Comment	Partly met	Met	Exceeded
Complete arrangements for further office space for 2008 as required.	EASA will gradually take over and fit out additional floors to meet its need for workspace, meeting rooms and ancillary space			X
As a result of the review of a security assessment and related requirements, introduce improved security installations and IT systems.	--		X	
Extend the mobile computing plan to industry and the NAAs enabling them to access Agency applications remotely.	The infrastructure is in place. The practical implementation is already well developed with one pilot customer; To be continued in 2008.	X		
Following the results and recommendations of the studies launched during 2006 proceed to implement the remote data centre with fail-over mechanisms and the implementation of a business continuity plan.	Failover capacities of the data centre been improved through use of multiple virtual servers. The external data centre project is waiting for the final specifications of the ERP implementation.	X		
Start renewal of obsolete hardware/software systems purchased in 2003.	Process started, on-going.		X	
Complete development and provide for maintenance of core business IT applications supporting certification management, occurrence reporting, Safety Assessment of Foreign Aircraft (SAFA), and standardisation and multiple choice examinations in the field of flight operations and crew licensing.	--		X	
Acquire an electronic document and records management system and start deployment to a pilot Directorate	To be implemented with the ERP system in 2008/2009.	X		
Review the effectiveness of the internal legal and procurement working procedures, and oversee procurement procedures			X	

Evaluation of critical risks

- ✓ *Fatal accident for which the liability of the Agency is engaged due to:*
 - a) *Lack of resources or weaknesses in certification and approval activities, including permit to fly, products, design, production, maintenance.*
 - b) *Inappropriate regulations (binding and non binding)*

As previously explained, the Agency has concluded an agreement with the Commission related to the Agency's liability, following the output of the liability study that had been performed.

In parallel and in order to mitigate the risks, the Agency has reviewed and improved its certification procedures related to Initial and Continued Airworthiness, as well as Organisation Approval. This action, which was launched according to an internal decision, was also a response to external audits' recommendations.

In the rulemaking field, a thorough application of rulemaking procedures with external consultations and an intensive participation of certification experts in the rulemaking process mitigated the risks of issuing inappropriate regulations.

Last but not least, the work related to the safety analysis activity is one of the key elements for other actors to learn from previous accidents and prevent new occurrences to happen.

- ✓ *Insufficiently qualified and experienced staff because of unavailability on the market or willingness to join the Agency, due to resignation of staff or due to lack of NAA resources*

The Agency prevented these risks through a special attention to the recruitment of qualified experts and supporting staff. Candidates were evaluated against strict criteria, in order to ensure the selection of the best experts. This selection has then been reinforced by a large offer of technical trainings to the staff members in place.

In addition, since the Agency does not perform all the technical work on its own, contracts signed with NAAs on outsourced tasks are carefully managed and the Agency is improving the control of the work performed.

Unfortunately, the Agency has faced a few unsuccessful recruitment procedures. A wider information campaign has therefore been launched, which resulted in a clear increased number of applications. Nevertheless, the risk remains in case the needed resources are not provided.

- *Inadequate provision of resources in relation of new tasks/extension of the remit*

Adequate dedicated resources are essential for the Agency to implement the extension of scope. The related needs have therefore been carefully planned and reported. A lack of workforce in this domain would lead to a high overload on the existing staff and a risk of delay of the rulemaking process at this stage of the process.. Several rulemaking

recruitments failed in 2007 due to lack of applicants in OPS and FCL. Since then, these recruitments have been successfully relaunched.

- ✓ *Erroneous grounding of a fleet due to incorrect or unjustified, undue AD or safety information bulletin*

As regards a possible unjustified grounding of a fleet, ADs are only issued in case of real safety problem after evaluation of technical files. The Agency is fully aware of economical consequences of grounding a fleet and does not intend to misuse its power in this field. In this case as well, the competence of dedicated experts is ensured by the recruitment and training processes.

- ✓ *Major non compliance within an NAA/MS impacting safety not identified during a standardisation inspection, undue identification of safety risks leading to erroneous decisions causing financial damage to operators.*
- ✓ *Failure to notify the Commission of a critical safety issues identified on an NAA.*

All these risks are mitigated at the level of the Agency through a thorough implementation of the standardisation process from planning up to communication to the Commission, including the follow up of findings. This implementation allows an efficient oversight of NAAs.

In addition, the same quality expectations apply to the recruitment and training of EASA standardisation inspectors and to the control of NAAs' team members.

- ✓ *Event that can negatively affect security of the facilities, people, data/documentation*

As regards IT issues, the back up system facilitates the continuity of operations. In addition, the Agency is working on a business continuity project and the implementation of a document management system is in preparation, linked to the ERP project.

- ✓ *Deterioration of external image of the Agency due to negative comments from press, stakeholders, staff. Misunderstandings, complaints from conflicts with stakeholders due to a lack of appropriate communication and information.*

This is a general communication risk. The Agency has prevented it through a close collaboration between the Communication team and technical actors, such ensuring the issuance of the right message. In addition, EASA's teams are maintaining a constant contact with stakeholders, in order to be able to anticipate and/or correct any misunderstanding.

In addition, a crisis management system is being set up in case of escalation of a situation.

Annexes

- Annex 1: 2007 Decisions and A-NPA
- Annex 2: Agency's financial performance in 2007
- Annex 3: Procedures launched and/or finalised in 2007
- Annex 4: Staffing Figures and demography
- Annex 5: Declaration of Assurance from the Authorising officer

Annex 1: 2007 Decisions and A-NPA

Decisions

- Amendments 3 and 4 to CS-25, improving in particular specifications for doors, flight and guidance systems, flight in icing conditions and human factors considerations in the certification of flight deck;
- Amendment 1 to CS-Definitions, introducing new definitions related to propeller and engine electronic control systems;
- Amendment 1 to CS-27 & CS-29, improving flight and handling qualities specifications);
- Amendment 1 to CS-E, improving specifications in relation with electronic control systems;
- Amendment 2 to CS-ETSO, amending the standard for Terrain Awareness and Warning Systems and introducing a new standard for Light Aviation Secondary Surveillance Transponders;
- Amendment 2 to AMC-20, introducing notably acceptable means of compliance concerning ageing structures issues;
- Amendments 2, 3 and 4 to the AMC/GM to Part-21;
- Amendment to AMC/GM to Part 66 related to the re-issuance of the aircraft maintenance licences

A-NPA

- A-NPA on de-icing/anti-icing
- Three CRDs on A-NPAs related to Consistency of Organisations Approvals, better regulation for general aviation, and Unmanned Aerial Vehicles.

Annex 2: Agency's financial performance in 2007

1.1. Budgetary Outturn Balance 2007 (All figures in € '000)

Income

	Budgeted	Received	%
European Community contribution	26,530	26,530	100%
Fee income	42,800	55,832	130%
Third party contribution (AELE and EC-Switzerland Bilateral Agreement)	1,404	1,402	99%
Donation for the rent from Ministry of transport of Germany	336	326	97%
CARDs	500	0	0%
Revenue from services rendered against payment	57	44	77%
Other income	418	1,147	274%
	72,045	85,281	118%
	Total Income (a)	85,281	

Notes:

1. The increase in fee revenue over the budgeted figure is due to the entry into force of the new fees and charges regulation as of 1/06/2007. With the new scheme, the Agency is charging now upfront the flat fee for the next 12 months, resulting in an exceptional high level of revenues for 2007.
2. Appropriations corresponding to earmarked revenues of 500 K€ for assisting in the Community Programme CARDs were authorised in the Second Amending Budget 2007. Finally these assigned revenues were not inscribed in the budget since the respective funds were not cashed before 31.12.2007. According to the Financial Regulation assigned revenues give rise to commitment and payment appropriations only after having received the funds.

Table 1

Expenditure

Staff Expenditure	33,113
Administrative Expenditure	9,867
Operating expenditure	42,301
	Total expenditure (b)
	85,281

Outturn

Out turn for the financial year (a-b)	0
Cancellation of unused payment appropriations carried over from previous year	2,268
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	99
Exchange differences for the year (gain + / loss -)	- 4
Balance of the outturn account for the financial year	2,363

Notes:

3. The new Basic regulation [Regulation (EC) 216/2008 of the European Parliament and of the Council], that has entered into force on 8th of April 2008, provides that the fees and charges, including those collected in 2007, shall be assigned revenues for the Agency. This principle of assigned revenue has been applied from the entry into force of the Commission Regulation (EC) No 593/2007 of 31 May 2007 on the fees and charges levied by the Agency, which provides in Article 3 paragraph 3 the following: " If at the end of a financial year the overall revenue from fees, which constitute an assigned revenue in accordance with article 53 of Regulation (EC) No 1592/2002¹, exceeds the overall cost of certification tasks, the excess shall be used to finance the certification tasks in accordance with the Financial regulation of the Agency."

On the period from 1/06/2007 to 31/12/2007 the revenue from fees and charges (43 740 K€) exceeds the overall cost of certification (28 527 K€) in an amount of 15 213 K€. The appropriation carried over from assigned revenue has been limited to the amount of 14, 865 K€ which corresponds to the amount available in the preliminary outturn Balance.

The table below provides a summary of the main sources of revenue and their use in the financial year 2007:

	Expenditure	Revenue	
Carry over from assigned revenue	14.865		
		55.832	Fees revenue
Cost of Certification activities	48.904	7.937	
		18.593	Commission Subsidy = 26.530
Cost of other regulatory activities	21.512	2.919	Other Revenue
Total	85.281	85.281	

Table 2

¹ Replaced by article 64 of the new Basic Regulation (EC) 216/2008, entered into force on 8 April 2008

1.2. Implementation of the budget in 2007

The table below shows the status of commitments and payments as of 31st December 2007, together with the amounts carried over automatically to financial year 2008, excluding assigned revenue.

	Appropriations	Commitments	%	Appropriations	Payments (2)	%	Carried over (3)	Total Payments (2) + (3)	%
Staff Expenditure	33,660	33,112	98	33,660	32,178	95	934	33,112	98
Administrative Expenditure	10,119	9,864	97	10,119	8,268	82	1,596	9,864	97
Operating Expenditure	27,766	27,155	98	27,766	9,957	36	17,198	27,155	98
Totals	71,545	70,131	98	71,545	50,403	70	19,728	70,131	98

Notes:

- The overall budget execution of 98% is highly satisfactory. The largest part of the carry over is located in the operating expenditure and connected with payments to be made to the NAAs for outsourced certification work.

Table 3

Annex 3: Procurement procedures launched and/or finalised

Contract	Contractor's Name	Total (max) Value	Date of Signature	Date of Expiry	Procedure	Reference of Procedure
EASA.2007.C01	BAD	€ 250 000	29/01/2007	28/01/2011	OP	EASA/2006/OP/14
EASA.2007.C02	G. Rouvier	€ 23 220	26/02/2007	31/12/2007	NP	/
EASA.2007.C03	Kerstin Schaefer e.K.	€ 34 994	22/02/2007	15/03/2007	OP	EASA/2006/OP/29
EASA.2007.C04	Horváth and Partner	€ 269 000	01/03/2007	19/11/2007	OP	EASA/2006/OP/30
EASA.2007.C05	Corinthia Hotel Prague	€ 124 078,50	28/02/2007	07/07/2007	OP	/
EASA.2007.C06	Ray GW Cherry Ltd	€ 177 700	22/03/2007	05/10/2007	NP	EASA/2006/NP/22
EASA.2007.C07	JAA (Standardisation Services)	/	15/04/2007	N/A	DA	/
EASA.2007.C08	European Dynamics	€ 107 800	03/05/2007	31/10/2008	RP	EASA/2007/RP/03-L1
EASA.2007.C09	European Dynamics	€ 114 400	03/05/2007	02/05/2008	RP	EASA/2007/RP/03-L3
EASA.2007.FC10	T-Systems	€ 1 000 000	26/07/2007	25/07/2012	OP	EASA/2006/OP/24
EASA.2007.FC11	T-Systems	€ 200 000	08/10/2007	07/10/2012	OP	EASA/2006/OP/24
EASA.2007.C12	Revault	€ 20 682	26/04/2007	13/12/2007	NP	EASA/2006/NP/06
EASA.2007.C13	TRASYS SA	€ 86 900	25/04/2007	31/10/2008	RP	EASA/2007/RP/03-L4
EASA.2007.C14	Intrasoft International SA	€ 127.600,00	25/04/2007	31/10/2008	RP	EASA/2007/RP/03-L6
EASA.2007.C15	Sword Technologies	€ 97 500	19/06/2007	31/10/2008	RP => NP	EASA.2007.NP.07
EASA.2007.C16	Eurocopter	€ 380 000	17/09/2007	16/09/2008	OP	EASA.2007.OP.04

Contract	Contractor's Name	Total (max) Value	Date of Signature	Date of Expiry	Procedure	Reference of Procedure
EASA.2007.FC.17	Intrasoft Int-l	€ 100 000	23/08/2007	22/08/2011	RP	EASA.2007.RP.10.Lot7
EASA.2007.C18	Kerstin Schaefer Mobility Services e.K	€ 15 750	/	/	NP	EASA.2007.NP.20bis
EASA.2007.C19	Trasys SA	€ 137 000	01/11/2007	31/10/2008	RP	EASA.2007.RP.10.Lot1
EASA.2007.C20	Intrasoft Int-l	€ 118 000	29/08/2007	31/10/2008	RP	EASA.2007.RP.10.Lot2
EASA.2007.C21	European Dynamics	€ 98 000	30/08/2007	31/10/2008	RP	EASA.2007.RP.10.Lot3
EASA.2007.C22	Intrasoft Int-l	€ 133 000	29/08/2007	31/10/2008	RP	EASA.2007.RP.10.Lot4
EASA.2007.C23	European Dynamics	€ 90 000	30/08/2007	31/10/2008	RP	EASA.2007.NP.20
EASA.2007.FC.24	EIPA	€ 200 000	15/10/2007	14/10/2011	OP	EASA.2007.OP.02
EASA.2007.FC25	T-Mobile	€ 2 000 000	TBD	TBD	OP	EASA/2006/OP/24-L3
EASA.2007.FC.26	Softeco Sismat	€ 58 000	TBD	TBD	NP	EASA.2007.E2.01
EASA.2007.FC.27	T-Systems (SAFA dB)	€ 436 000	TBD	TBD	OP	/
EASA.2007.C28	TUV Rheinland Kraftfahrt GmbH	€ 80 000	TBD	TBD	OP	EASA.2007.OP.14
EASA.2007.C29	Intrasoft Int-l	€ 137 000	TBD	TBD	RP	EASA.2007.RP.10.Lot5
EASA.2007.C30	AvGen Ltd	€ 55 000	TBD	TBD	NP	EASA.2007.E2.03
EASA.2007.C31	AVANSSA	€ 34 800	TBD	TBD	NP	EASA.2007.E2.02
EASA.2007.C32	NLR	€ 330 000	TBD	TBD	OP	EASA.2007.OP.15

Table 4

Annex 4: Staffing figures and demography

The table below shows the Agency's staffing situation as of 31/12/2007:

Grade	2007 Establishment Plan	2007 Staffing Plan	Active posts 31/12/2007	Variance on staffing plan
AD15	5	4	4	
AD14	1	1	1	
AD13	7	5	5	
AD12	19	20	20	
AD11	32	16	16	
AD10	16	8	8	
AD9	80	92	86	-6
AD8	29	27	29	2
AD7	73	31	32	1
AD6	68	40	39	-1
AD5	32	12	11	-1
AD	362	256	251	-5
AST7	1		0	
AST6	2	1	1	
AST5	7	4	3	-1
AST4	23	10	8	-2
AST3	25	24	24	
AST2	37	40	38	-2
AST1	10	8	8	
AST	105	87	82	-5
TOTAL	467	343	333	-10

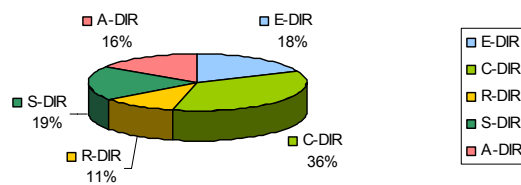
Notes:

1. As of end of the year the agency recruited 70 new temporary agents and employed 24 contract staff and 4 auxiliary agents.
2. In addition, as of end of year, 28 acceptances from candidates were received and further 5 employment offers were in circulation for approval.
3. 41 posts are in selection for 2007, 2008 and 2009 posts.

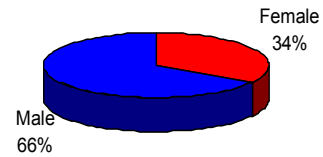
Table 5

The graphs below give an indication of the demography of the staff at the Agency as of 31/12/2007.

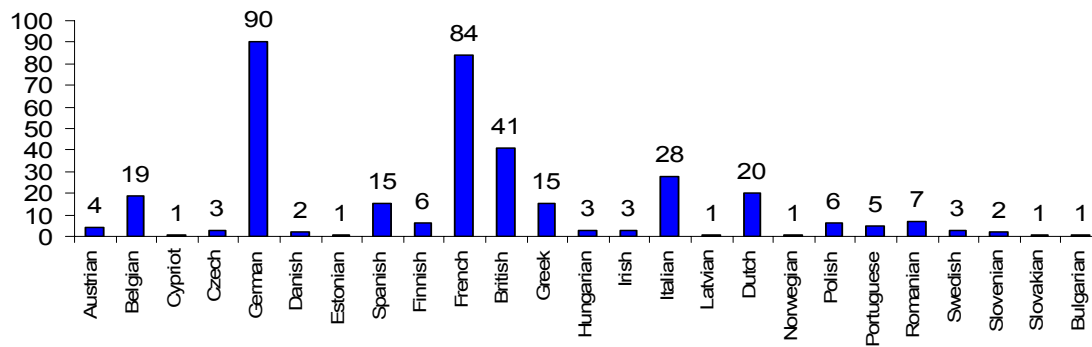
Distribution per Directorates



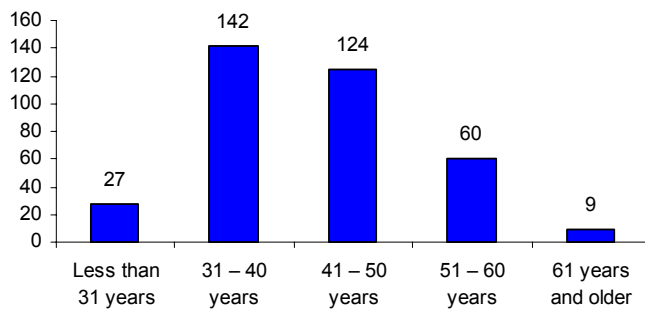
Gender Distribution



Nationality Distribution



Age Distribution



Annex 5: Declaration of Assurance from the Authorising Officer

I, the undersigned, Patrick Goudou, 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 view².

- 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 annual review of the internal control and the lessons learnt from the last report of the Internal Audit Service and 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.

- Confirm that appropriate measures have been taken after the IAS audit, in order to meet the main recommendations that have been formulated.

The following context is to be noted:

The Agency has made, over the last years, significant efforts to manage its start up period. Regarding the systems, concrete progresses have already been initiated related to the implementation of an Enterprise Resources Planning, which will continue over the next years.

Place Cologne Date

Signature

Patrick Goudou, Executive Director of the
European Aviation Safety Agency

² True and fair view in this context means a reliable, complete and correct picture of the state of affairs