EUROPEAN ORGANISATION FOR THE SAFETY OF AIR NAVIGATION

EUROCONTROL

- Decisions of the Permanent Commission -

DECISION No. 128

concerning the implementation of an Agency-wide cost allocation methodology

and

the allocation on a permanent basis of the cost of support services for the operation of MUAC and the cost of the compensation for national tax levied on pensions and of ancillary benefits paid by the Organisation to former staff members which were assigned to MUAC, respectively pursuant to the Declaration of the National Contracting Parties to the Maastricht Agreement and through Part III of the Agency budget

THE PERMANENT COMMISSION,

Having regard to the EUROCONTROL International Convention relating to Co-operation for the Safety of Air Navigation, as amended by the Protocol signed at Brussels on 12 February 1981 ("amended Convention"), and in particular Articles 2.2 (b) and 7.1 thereof;

Having regard to the Agreement relating to the Provision and Operation of Air Traffic Services and Facilities by EUROCONTROL at the Maastricht Area Control Centre (hereinafter referred to as MUAC) signed on 25 November 1986 (hereinafter referred to as the Maastricht Agreement), and in particular Articles 5 and 12 thereof and Article 8 of Annex III (Financial Protocol) thereto;

Having regard to the Decision of the Permanent Commission No.129 dated 9.12.2015 concerning the taking of decisions on measures of an operational, technical, financial or budgetary nature, including on investments, as well as the mandate of Director MUAC to arrange support services, required for the operation of MUAC (hereinafter referred to as Permanent Commission Decision No. 129);

Having regard to the Declaration dated 19.4.2016 of the National Contracting Parties to the Maastricht Agreement concerning the financing, on a temporary basis, of the compensation for national tax levied on pensions and of ancillary benefits paid by the Organisation to former staff members who were assigned to MUAC and the costs of the support services required for the operation of MUAC (hereinafter referred to as the Declaration of the National Contracting Parties to the Maastricht Agreement);

Recognising that pursuant to the current provisions of the Maastricht Agreement all EUROCONTROL Member States finance these costs from Part I of the Agency budget;
Considering the objective to provide cost transparency regarding the costs of MUAC and to use a Special Annex under Part IV of the Agency budget to finance, on a temporary basis, the costs of support services and the costs of the compensation for national tax levied on pensions and of ancillary benefits paid by the Organisation to former staff members who were assigned to MUAC and currently charged to Part I of the Agency budget;

Considering that it is necessary to amend the legal instruments in order to fully implement the above-mentioned objectives on a permanent basis and have the amendments entered into force before 31 December 2019;

Considering that the desired cost transparency shall apply to the whole Agency in order to facilitate improved and transparent cost allocation and in particular cost savings in the future;

Considering that the costs of activities performed and expertise provided by MUAC for the benefit of the Organisation shall continue to be charged to Part I of the Agency budget, as is standing practice;

Considering that the Declaration of the National Contracting Parties to the Maastricht Agreement is made also in consideration of Permanent Commission Decision No. 129;

Considering that contracts asked by MUAC for external support services are continued to be charged to Part III of the Agency budget;

Considering the cost neutrality of the changes made with this decision to the users’ community at EUROCONTROL-wide level;

On the proposal of the Provisional Council,

HEREBY TAKES THE FOLLOWING DECISION:

**Article 1**

*Agency-wide cost allocation*

From 1.1.2018 onwards an Agency-wide cost allocation methodology developed by the Agency in close cooperation with and supported by the Standing Committee on Finance (SCF) shall be used for the allocation of the costs of the support services.

**Article 2**

*Modification of legal provisions to implement permanent measures*

1. The Organisation shall take the necessary measures to implement a modification of the legal instruments to allow implementing on a permanent basis:

   a. the allocation to Part III of the Agency budget of the costs for the support services delivered by other units of the Agency to MUAC in accordance with an Agency-wide cost allocation methodology implemented for all the Agency’s support costs;

   b. the continued allocation of the costs of activities performed and expertise provided by MUAC for the benefit of the Organisation to Part I of the Agency budget in accordance with the Agency-wide cost allocation methodology implemented for all Agency’s support costs;
c. the allocation to Part III of the Agency budget of the compensation paid by the Organisation for national tax levied on pensions in respect of former staff who were assigned to MUAC and who receive a retirement pension or invalidity allowance from the Organisation as well as in respect of beneficiaries who receive pensions paid pursuant to Articles 79 or 80 of the Staff Regulations and General Conditions of Employment (survivor's and orphan's pensions), and

d. the ancillary benefits paid to pensioners (e.g. family allowances and the Agency's contributions to the sickness insurance scheme) in respect of former staff who were assigned to MUAC and who receive a retirement pension or invalidity allowance from the Organisation as well as in respect of beneficiaries who receive pensions paid pursuant to Articles 79 or 80 of the Staff Regulations and General Conditions of Employment (survivor's and orphan's pensions).

2. The allocation of the costs referred to in (c) and (d) above shall be based on the proportion of the period during which the staff members concerned were affected to a post at MUAC compared to their total period of service at the Agency.

3. The provisions to be included in the legal instruments to be amended shall be made in accordance with the Declaration of the National Contracting Parties to the Maastricht Agreement.

4. The Agency shall present the relevant amendments of the legal instruments to the Permanent Commission before the end of 2016, with a view to obtaining the Permanent Commission's approval before the end of 2017 in order to achieve their entry into force by 31 December 2019.

Article 3

The present decision shall come into effect on the day of its signature.

Done at Brussels on 9.12.2015

D. RATKOVICA
President of the Commission