

EBA BS 2022 685

15 December 2022

Adoption of the 2023 EBA budget and establishment plan and of the revised 2023-2025 Single Programming Document (SPD)

Executive Summary

1. On 23 November 2022, the European Parliament in plenary session adopted the EU 2023 budget. This budget includes the EU subsidy to the EBA of EUR 19 MEUR and the EBA establishment plan of 181 temporary agent posts.
2. Factoring in pension and French government contributions, we arrive at a total EBA budget for 2023 of EUR 52 677 553. The table below shows the evolution of the 2022 and 2023 budgets and establishment plans.

	2022 Adopted¹	2023 SPD 2023-25	2023 Adopted
Budget	50 315 014	55 838 711	52 677 553
Establishment plan ²	183	186	181
Contract agents	50	51	51
SNE	19	20	19
Total staffing	252	257	251

3. In accordance with the EBA's constituent act, the BoS must adopt this EBA 2023 budget and establishment plan for it to come into force.
4. In previous years, the final budget was published as a standalone document. This time, it is proposed to include it in a final 2023-2025 SPD, together with the 2023 Work Programme, to present in a single consolidated document to be made available on the EBA website. On this occasion, some minor adjustments have also been made to the rest of the SPD text.

¹ Including amending budgets 1 & 2

² Temporary agents only. Including MiCA fee-funded posts as per latest MiCA legislative financial statement. These posts will not be recruited as MiCA oversight tasks do not start until last 2025

5. The revised final SPD 2023-25 is being submitted to the BoS for adoption by written procedure in line with paragraph 32 (8) of the EBA Financial Regulation.

Question to BoS members:

1. Do BoS members agree to adopt the EBA 2023 budget and establishment plan as set out in this document and its annexes?
2. Do BoS members approve the revised EBA 2023- 2025 Single Programming Document?

Introduction

6. Article 33 of the EBA’s financial regulation states that the budget of the EBA shall be established in accordance with the provisions of the constituent act. Article 63.5 of the EBA’s constituent act states that the budget of the EBA shall be adopted by the Board of Supervisors, and that it shall become final after the final adoption of the General Budget of the European Union. On 23 November, the European Parliament adopted the 2023 EU budget in a plenary vote.

Evolution of the 2023 budget

7. In January 2022, the Board of Supervisors approved the EBA’s 2023 single programming document (SPD) with a budget request of EUR 55 838 711 and an establishment plan of 181 temporary agents (TA). This included staffing and costs for MiCA and DORA funded by industry, in accordance with the draft legislative financial statements (LFS) for these two pieces of legislation that indicated that fee-funded work was supposed to start in 2023. This budget request was submitted to the European Commission, which then presented in June 2022 a Draft Budget of EUR 55 867 017 and 184 TA, still including MiCA and DORA, but without one additional TA funded by DG REFORM. Since that time, the LFS for MiCA and DORA have been updated and the financial and human resources have been amended. From the budgetary perspective, the main effect of the amendments was to add EU/NCA funded posts and costs, and to postpone the projected timing of fee funding.
8. The adopted EU subsidy of EUR 19 428 306 (before deduction of 2021 surplus) translates to a total **EBA 2023 budget of EUR 52 677 553** (fifty-two million, six hundred and seventy-seven thousand, five hundred and fifty-three euros), as set out in Figure 1 below. The annexes provide detail on these figures.

Figure 1: Summary of 2023 budget³

Revenue		EUR	Expenditure		EUR	Staff		#
EU subsidy	19 428 306		Title 1 Staff	33 515 237		TA	181 ⁴	
NCA	32 325 473		Title 2 Admin	12 319 866		CA	51	
French gov’t	575 000		Title 3 Operations	6 842 451		SNE	19	
DG REFORM	348 774							
Total	52 677 553		Total	52 677 553		Total	251	
2022 total ⁵	50 315 014		2022 total	50 315 014		2022 total	247	
Increase	2 362 539		Increase	2 362 539		Increase	4	

³ Rounding may result in differences of one euro between the detail rows and the totals

⁴ Including 18 MiCA fee-funded posts, that will not be recruited (15 in 2022)

⁵ 2022 figures are as per amending budget no. 2

9. The reasons for the increases compared to 2022 are set out below, along with an explanation of other matters of significance to the 2023 budget.

<p>Overall increase is driven by indexation in the MFF</p>	<p>The EU subsidy to the EBA is set out in the EU's multi-annual financial framework (MFF) 2022-2027. This was amended in 2022 to increase the year-on-year percentage increase to 4 % from 2022 to 2023, in response to the salary indexation increases in 2022.</p>
<p>DG REFORM estimates are excluded from the budget for adoption</p>	<p>DG REFORM revenue is of the type internally assigned revenue. The amount shown in the budget is an estimation based the 2023 planned activity level, and on two directly assigned staff (one TA, one CA) starting in mid-January 2023.</p>
<p>Average staff costs are increased by two external factors</p>	<p>Salary indexation was set at 4.5 % for the second semester of 2022. A rate of 2 % is assumed for the second semester of 2023. The pension contribution rate remains at 10.1 %, and it is assumed that this will apply for the whole of 2023.</p> <p>The salary correction coefficient also decreased in 2022, from 118.7 in the first semester to 116.8 in the second semester. The 116.8 rate will apply to the first semester in 2023 and will be updated for the second semester (with the update communicated in November and applied retroactively). A rate of 116.8 is assumed for the second semester 2023.</p>
<p>Training volumes to increase compared to 2022 actual</p>	<p>In 2022, as a result of the restricted budget and due to staffing issues in the HR unit, the level of external training conducted was lower than budgeted. In 2023, the EBA is budgeting for a return to a more normal level of training expenditure.</p>
<p>There will be a full year of physical missions & meetings</p>	<p>For the first year since 2019, the EBA expects to have a full year of physical missions and meetings. In accordance with the EBA EMAS certification and previous decision of the BoS, the volume of physical missions and meetings will nevertheless be restricted to not more than 50 % of the 2019 volume.</p>
<p>Lease costs will run higher in 2023 than in 2022</p>	<p>Lease costs are subject to French official indexation from May of each year. The indexation rate was 4.5 % in 2022 and this will continue into 2023, resulting in a noticeable increase in these costs.</p>

**Title 2 IT cost increase
projected**

EBA is budgeting for an increase in Title 2 IT costs in 2023, resulting from on-going cloudification work, the change of data centre provider, and other administrative system developments including the website revamp, a new records/document management system, and additional workflow systems.

**Title 3 IT cost decrease
projected**

EBA is budgeting for a slightly lower level of expenditure in 2023 compared to 2022. Aside from supporting and developing the Euclid platform, which includes work on Investment firms, validation engine, and Pillar III bank disclosures, the budget also includes expenditure on the maintenance of existing systems and on the following projects: DORA oversight system; DRR tooling; EuReCA (AML); Fit and proper, EDAP dissemination platform; the EBA Extranet; and Self-Service Business Intelligence (SSBI).

Financing decision 2023

10. Article 72 of the EBA financial regulation⁶ states that every budgetary commitment of non-administrative expenditure by the EBA shall be preceded by a financing decision. It goes on to state that the annual and multi-annual work programmes (AWP) included in the single programming document shall be equivalent to a financing decision where the SPD contains the elements set out in Article 32(3) of the financial regulation. It is the view of the EBA that AWP does contain these elements and that, as such, the SPD is equivalent to a financing decision.

Changes made to the 2023-2025 SPD

11. Although, in previous years, the final adoption of the budget for a given year N+1 did not give rise to a final revision of the SPD for the period covering years N+1 – N+3, it is considered preferable to update the programming document in line with paragraph 32 (7) to (9) of the EBA financial regulation ([link](#)).
12. The revisions affect both the qualitative and quantitative parts of the main body of the document and relevant annexes. Changes or adjustments, shown in trackchanges, have been kept to a minimum. They are set out in a bit more detail in the section that follows.

Final adoption of 2023 budget and other budgetary adjustments

13. The adoption of the final budget for 2023 required several changes in the SPD, the most relevant of which concern the budgetary figures for 2023 and, by extension, also the estimates

⁶ EBA FR 2020 (europa.eu)

for the exercises 2024 and 2025. These elements led to changes in Section 2.2 of the main body, and Annexes II and III.

Changes to address the observations of the EC

14. The European Commission has shared some observations on the draft 2023-2025 SPD that concerned mainly the following aspects:

KPIs	<p>EC: Improvements noticed but situation uneven across priorities.</p> <p>EBA: This has been addressed with a view to improving the situation (both in the WP 2023 and in the draft 2024-2026 SPD) and clarifying the link between KPIs and policy objectives.</p> <p>Changes made in section 2.1 and 3.1.</p>
Resources	<p>EC: financial and human resource planning for 2023 exceeds the financial programming for 2023-2027 ; programming of activities not always in line with the technical update of the financial programming for 2022-2027. Post should reflect the numbers in the establishment plans.</p> <p>EBA: Observation related to the inclusion of posts (mainly for MiCA, DORA and in relation to AML activities) which did not reflect the latest LFS and related discussions. This has been addressed.</p> <p>Changes made in section 2.2 and Annexes II, III, IV and V – plus removal of former annex XI</p>
Salary adjustments	<p>EC: Salary adjustment to be added to the EU contribution following the inflation increase.</p> <p>EBA: Taken on board</p> <p>Changes made in section 2.2 and Annex III.</p>
Average seniority rates for reclassification (of staff)	<p>EC: Important to respect statutory requirements for reclassification, and in particular that statutory average seniority rates.</p> <p>EBA: Already taken on board. Clarified with EC that statutory average seniority rates have been fully respected over the last three reclassification exercises.</p> <p>Changes made to reflect availability of 2022 data and to align calculation of rates with EU agencies common methodology in Annex V, part F (tables Reclassification of TA and Reclassification of contract staff).</p>

Organisational chart	<p>The EC suggested including information on the numbers of staff in each entity per staff category.</p> <p>Staff response: This has been taken on board and reflected in organisation chart (starting already in the 2023 Annual Work Programme)</p> <p>Change in Annex I.</p>
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Rounded figures in tables in Annex IV	<p>The EC suggested that the column “executed FTEs as of 31/12/2021” in Annex IV be displayed as rounded figures</p> <p>Staff response: This has been taken on board.</p> <p>Change in Annex IV.</p>
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Other noteworthy changes

15. Other changes that are brought to the attention of BoS members include the following:
- Economic developments: updates were made in the foreword, and in a limited manner in section 2.1.
 - Developments on legislative files etc: updates were made in Section 1. General context
 - State of play of MiCA and DORA throughout: including section 1, section 2.2, Annexes III, IV, V and led to the removal of former Annex XI
 - Adoption of 2023 Work programme (by the BoS in September): updated were made in section II, 2.1 and III, 3.2. (to reflect amended KPIs) and in section III. 4, which was completely replaced (without track changes). Additional changes in that section (tracked) reflect adjustments that were necessary to the 2023 work programme - mainly to reflect updated deadlines for DORA deliverables under activity 8.
 - EMAS registration: Changes have been made in section I, 1., section II, 2.1, and Annex VII (where also the 2024 objectives could now be included).
 - Other significant developments, changes or progress have led to adjustments throughout the programming document to avoid that it would otherwise no longer be up-to-date or correct (e.g., to Annexes VI: Procurement plan, or VIII: Building policy)
16. Such changes have been made only where necessary and with the objective to keep them limited to adjustments in order to avoid inaccuracies.

Annexes:

1. Contributions detail
2. Contributions calculation method
3. Detailed 2023 budget
4. Staffing plan 2023
5. Revised SPD 2023-2025

Annex 1: EBA budgetary contributions 2023

All budgetary amounts in EUR, rounded to nearest whole number, before deduction of surplus and credits coming from previous years.

National competent authority	Status	QMV	%	Budget contribution
A	B	C	D	E
Austria	Member	10	3.0%	970 735
Belgium	Member	12	3.6%	1 164 882
Bulgaria	Member	10	3.0%	970 735
Croatia	Member	7	2.1%	679 514
Cyprus	Member	4	1.2%	388 294
Czech Republic	Member	12	3.6%	1 164 882
Denmark	Member	7	2.1%	679 514
Estonia	Member	4	1.2%	388 294
Finland	Member	7	2.1%	679 514
France	Member	29	8.7%	2 815 131
Germany	Member	29	8.7%	2 815 131
Greece	Member	12	3.6%	1 164 882
Hungary	Member	12	3.6%	1 164 882
Ireland	Member	7	2.1%	679 514
Italy	Member	29	8.7%	2 815 131
Latvia	Member	4	1.2%	388 294
Lithuania	Member	7	2.1%	679 514
Luxembourg	Member	4	1.2%	388 294
Malta	Member	3	0.9%	291 220
Netherlands	Member	13	3.9%	1 261 955
Poland	Member	27	8.1%	2 620 984
Portugal	Member	12	3.6%	1 164 882
Romania	Member	14	4.2%	1 359 029
Slovakia	Member	7	2.1%	679 514
Slovenia	Member	4	1.2%	388 294
Spain	Member	27	8.1%	2 620 984
Sweden	Member	10	3.0%	970 735
Norway	Non-voting member (EFTA)	7	2.1%	679 514
Iceland	Non-voting member (EFTA)	2	0.6%	194 147
Liechtenstein	Non-voting member (EFTA)	1	0.3%	97 073
Total NCA		333	100.0%	32 325 473

Annex 2: Contributions calculation method

There are five inputs to the calculation:

Inputs	2023 value	Source
A The amount of the EU subsidy	19 428 306	Set by the budgetary authority
B Ratio of EU subsidy to Member State contributions	40:60	EBA founding regulation - recital
C The budgeted amount of the employer's pension contribution (NCA-funded only)	2 280 771	Calculated by the EBA
D The total EU NCA voting weight	323	Article 3(3) of Protocol (No 36) on transitional provisions
E The total EFTA NCA voting weight	10	Article 62(1)(a) of Annex IX (Financial services) to the EEA agreement ⁷

The calculation formulae are:

$$EU\ NCA\ contribution = \left(EU\ subsidy * \frac{60}{40} \right) + \left(Pension * \frac{EU\ NCA\ voting\ weights}{Total\ NCA\ voting\ weights} \right)$$

$$EFTA\ NCA\ contribution = EU\ NCA\ contribution * \frac{EFTA\ NCA\ voting\ weight}{EU\ NCA\ voting\ weight}$$

⁷ <https://www.efta.int/media/documents/legal-texts/eea/the-eea-agreement/Annexes%20to%20the%20Agreement/annex9.pdf>