

EBA BS 2021 xxx

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8 December 2021

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EBA staff

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# Request for adoption of the 2022 EBA budget and establishment plan

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## Summary

On 24 November 2021, the European Parliament in plenary session adopted the EU 2022 budget. This budget includes the EU subsidy to the EBA of EUR 18.3 MEUR (after deduction of 2020 surplus) and EBA establishment plan of 162 temporary agent posts.

Factoring in pension and French government contributions, we arrive at a total EBA budget for 2022 of EUR 50 256 034. The table below shows the evolution of the 2021 and 2022 budgets and establishment plans.

	<b>2021 Adopted</b>	<b>2022 SPD</b>	<b>2022 proposed</b>
Budget	49 193 495	54 244 799	50 256 034
Establishment plan	162	192	162

In accordance with the EBA's constituent act, the BoS must adopt this EBA 2022 budget and establishment plan for it to come into force.

### Question to BoS members:

Do BoS members agree to adopt the EBA 2022 budget and establishment plan as set out in this document and its annexes?

## Introduction

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 24 November, the European Parliament adopted the 2022 general budget in a plenary vote.

## Evolution of the 2022 budget

In January 2021, the Board of Supervisors approved the EBA's 2022 single programming document (SPD) with a budget request of EUR 54 244 799 and an establishment plan of 192 temporary agents (TA). This included staffing and costs for MiCA and DORA funded by industry, in accordance with the draft legislative financial statements for these two pieces of legislation that indicated that work was supposed to start in 2022. This budget request was submitted to the European Commission, which then presented in June 2021 a Draft Budget of EUR 54 242 436 and 183 TA, still including MiCA and DORA. During the budgetary conciliation process, MiCA and DORA numbers were removed from the budget figures and establishment plan as the negotiations had not been concluded and work in these areas will not start in 2022.

The adopted EU subsidy translates to a total EBA 2022 budget of **EUR 50 256 034** (fifty million, two hundred and fifty-six thousand, and thirty-four euros), as set out in Figure 1 overleaf. The annexes provide detail on these figures.

Figure 1: Summary of 2022 budget

<b>Revenue</b>	<b>EUR</b>	<b>Expenditure</b>	<b>EUR</b>	<b>Staff</b>	<b>#</b>
EU subsidy	18 685 999	Title 1 Staff	32 384 074	TA	162
NCA	30 995 035	Title 2 Admin	10 269 824	CA	50
French gov't	575 000	Title 3 Operations	7 602 137	SNE	19
<b>Total</b>	<b>50 256 034</b>	<b>Total</b>	<b>50 256 034</b>	<b>Total</b>	<b>231</b>
2021 total <sup>1</sup>	49 768 495	2021 total	49 768 495	2021 total	231
<b>Increase</b>	<b>487 539</b>	<b>Increase</b>	<b>487 539</b>	<b>Increase</b>	<b>-</b>

The reasons for the increases compared to 2021 are set out overleaf, along with an explanation of other matters of significance to the 2022 budget.

<sup>1</sup> 2021 figures are as per adopted budget, adjusted to include the French government contribution of EUR 575 000

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**Overall increase is driven by indexation in the MFF** The EU subsidy to the EBA is set out in the EU's multi-annual financial framework (MFF) 2021-2027. This shows a 1 % increase from 2021 to 2022, and a 2 % annual increase thereafter.

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**The adopted budget now shows the French government contribution** In previous years the French government contribution receivable was not shown on the face of the budget but only referred to in a footnote. In accordance with the principle of transparency, this is now being shown in the revenue. The corresponding expenditure is on the Rental costs budget line.

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**Average staff costs are increased by two external factors** Salary indexation was set at 1.9 % for the second semester of 2021, where this had been 0.7 % the previous year. We have assumed 1 % for the second semester of 2022. The pension contribution rate remains at 10.1 %, and we have assumed that this will apply for the whole of 2022.

The salary correction coefficient also decreased in 2021, from 120.5 in the first semester to 119.9 in the second semester. The 119.9 rate will apply to the first semester in 2022 and will be updated for the second semester (with the update communicated in November and applied retroactively). We have assumed 119.9 for the second semester.

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**Staff recruitment costs will increase** As a result of COVID, costs of taking up duty for staff joining the EBA have been postponed from 2021 to 2022, and it is expected that staff recruited in 2022 will incur these costs in 2022, in a return to normal.

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**There will be in-person missions and meetings albeit at a lower level** During the budgetary process in autumn, Commission and agencies assumed that staff and visitors would gradually start travelling again to meetings in 2022, thus driving cost for missions and meetings, but it is expected that this will still fall below the 50 % reduction already committed to by the EBA in the context of EMAS.

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**Building costs will run higher in 2022 than in 2021** The EBA carried out minor building works in 2021 to accommodate organisational changes and to address COVID requirements. Higher costs are budgeted for in 2022 to equip the offices for more flexible working.

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**Title 2 IT cost decrease projected**

EBA is budgeting for a 15 % decrease in Title 2 IT costs in 2022. There is demand for more activity, but the budget is not currently available to support this. The IT unit has categorised several initiatives to be carried out on a “best effort basis” i.e., depending on resource availability in 2022.

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**Title 3 IT costs stable**

EBA is budgeting for a similar level of expenditure in 2022 as in 2021. Aside from supporting and developing the Euclid platform, which includes work on Investment firms, validation engine, and Pillar II bank disclosures, the budget also includes expenditure on the following projects: Cloudification, DRR tooling, Fit and proper, Collaboration platform, Data dissemination, and Self-Service Business Intelligence (SSBI).

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## Financing decision 2022

Article 72 of the EBA financial regulation<sup>2</sup> 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.

### Annexes:

1. Contributions detail
2. Contributions calculation method
3. Detailed 2022 budget
4. Staffing plan 2022

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<sup>2</sup> EBA FR 2020 (europa.eu)

## Annex 1: EBA budgetary contributions 2022

All budgetary amounts in EUR, rounded to nearest whole number

National competent authority	Status	QMV	%	2022 Budget contribution
A	B	C	D	E
Austria	Member	10	3.00 %	930 782
Belgium	Member	12	3.60 %	1 116 938
Bulgaria	Member	10	3.00 %	930 782
Croatia	Member	7	2.10 %	651 547
Cyprus	Member	4	1.20 %	372 313
Czech Republic	Member	12	3.60 %	1 116 938
Denmark	Member	7	2.10 %	651 547
Estonia	Member	4	1.20 %	372 313
Finland	Member	7	2.10 %	651 547
France	Member	29	8.71 %	2 699 267
Germany	Member	29	8.71 %	2 699 267
Greece	Member	12	3.60 %	1 116 938
Hungary	Member	12	3.60 %	1 116 938
Ireland	Member	7	2.10 %	651 547
Italy	Member	29	8.71 %	2 699 267
Latvia	Member	4	1.20 %	372 313
Lithuania	Member	7	2.10 %	651 547
Luxembourg	Member	4	1.20 %	372 313
Malta	Member	3	0.90 %	279 235
Netherlands	Member	13	3.90 %	1 210 016
Poland	Member	27	8.11 %	2 513 111
Portugal	Member	12	3.60 %	1 116 938
Romania	Member	14	4.20 %	1 303 095
Slovakia	Member	7	2.10 %	651 547
Slovenia	Member	4	1.20 %	372 313
Spain	Member	27	8.11 %	2 513 111
Sweden	Member	10	3.00 %	930 782
Norway	Non-voting member (EFTA)	7	2.10 %	651 547
Iceland	Non-voting member (EFTA)	2	0.60 %	186 156
Liechtenstein	Non-voting member (EFTA)	1	0.30 %	93 078
<b>Total NCA</b>		<b>333</b>	<b>100.00 %</b>	<b>30 995 035</b>

## Annex 2: Contributions calculation method

There are five inputs to the calculation:

	<b>Inputs</b>	<b>2022 value</b>	<b>Source</b>
A	The amount of the EU subsidy	18 685 999	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)	2 098 266	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 <sup>3</sup>

The calculation formulae are:

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

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

<sup>3</sup> <https://www.efta.int/media/documents/legal-texts/eea/the-eea-agreement/Annexes%20to%20the%20Agreement/annex9.pdf>