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## **COMMISSION STAFF WORKING DOCUMENT**

**Evaluation of the Consumers, Health, Agriculture and Food Executive Agency  
(CHAFAE)**

*Accompanying the document*

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE  
COUNCIL AND THE COURT OF AUDITORS**

**Evaluation of the Consumers, Health, Agriculture and Food Executive Agency, the  
Educational, Audiovisual and Culture Executive Agency, the Executive Agency for  
Small and Medium-Sized Enterprises, the European Research Council Executive  
Agency, the Innovation and Networks Executive Agency and the Research Executive  
Agency**

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## Glossary

<i>Term or acronym</i>	<i>Meaning or definition</i>
AAR	Annual activity report
AWP	Annual work programme
Agencies	Executive agencies
AGRIP	The promotion of agriculture products programme
BTSF	Better training for safer food
CAF	Common assessment framework
CBA	Cost-benefit analysis
CHAFEA	Consumers, Health, Agriculture and Food Executive Agency
CP	Consumer programme
EACEA	European Education and Culture Executive Agency
EASME	Former Executive Agency for Small and Medium-sized Enterprises
Commission	European Commission
EEA	European Economic Area
EFTA	European Free Trade Association
EISMEA	European Innovation Council and SMEs Executive Agency
ERCEA	European Research Council Executive Agency
EU	European Union
Horizon 2020	Horizon 2020, the 8th EU framework programme for Research and Innovation (2014-2020)
HaDEA	Health and Digital Executive Agency
HP	Public health programme
HR	Human resources
IAS	Internal Audit Service

INEA	Innovation and Networks Executive Agency
IT	Information technology
PPMI	Public Policy Management Institute
REA	Research Executive Agency
SFS	Specific financial statement
SME	Small and medium-sized enterprises

## 1. INTRODUCTION

### Purpose and scope of the evaluation/fitness check

The staff working document describes the evidence framework for the evaluation of the Consumers Health and Food Executive Agency ('CHAFEA' or the 'Agency') implementing EU programmes for the period 2017/2018 to 2021. It responds to the requirements set in the Council Regulation (EC) No 58/2003<sup>1</sup> laying down the need for a periodical (every 3 years) evaluation of the operations of the executive agencies.

In addition to the Council Regulation, the Agency was governed by the Act of Establishment<sup>2</sup> which sets out their mandate, the Act of Delegation<sup>3</sup> which specifies the tasks to be carried out and the powers delegated to agencies to perform their mandate, the guidelines for the establishment and operation of agencies<sup>4</sup> and the decisions establishing the agencies' steering committees.

In line with the Commission's better regulation<sup>5</sup> principles, the evaluation applied several standard evaluation criteria. The evaluation assessed whether CHAFEA has fulfilled its tasks in an effective and efficient way, whether there were overlaps, gaps or inconsistencies in the management of the programme portfolio and whether there was a clear and coherent delineation of tasks between the executive agency and its parent Directorates-General or other agencies.

The evaluation also assessed whether the functioning of CHAFEA has yielded the expected positive results as estimated in the *ex ante* cost-benefit analysis for the delegation of tasks to the Agency<sup>6</sup> and potential areas of improvement. This *ex ante* cost-benefit analysis was conducted in 2013 for all the agencies<sup>7</sup> for the 2014-2020 EU budget (multiannual financial framework).

The costs and benefits of the selected delegation scenario as initially estimated by the *ex ante* cost-benefit analysis and the specific financial statement have been further tested within the triennial evaluation and compared with the actual costs and benefits of programme implementation by CHAFEA versus the estimated costs of the in-house scenario<sup>8</sup>.

The evaluation did not cover the achievements of the programmes managed by CHAFEA, which are subject to separate evaluations. The evaluation nevertheless provided useful input for these programme evaluations, considering that the performance

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<sup>1</sup> Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for agencies to be entrusted with certain tasks in the management of Community programmes, Official Journal L 011, 16 January 2003 pp.1-8 <http://data.europa.eu/eli/reg/2003/58/OJ>.

<sup>2</sup> Commission Implementing Decision 2013/770/EU as amended by Commission Implementing Decision 2014/927/EU.

<sup>3</sup> Commission Decision C(2013) 9505 of 20 December 2013 as amended by Commission Decisions C(2014) 9594 of 19 December 2014, C(2015) 2856 of 4 May 2015 and C(2015) 8752 of 11 December 2015.

<sup>4</sup> Commission Decision C(2014) 9109 final of 2 December 2014. // Annexes to the Commission Decision.

<sup>5</sup> Commission's Better Regulation guidelines SWD (2021) 305 final and [toolbox](#).

<sup>6</sup> Cost-benefit Analysis for the delegation of certain tasks regarding the implementation of Union Programmes 2014- 2020 to the agencies - Final report for the Commission of 19 August 2013.

<sup>7</sup> CHAFEA, EASME, EACEA, ERCEA, REA and INEA.

<sup>8</sup> Management by European Commission services.

of the executive agency affects the efficiency and effectiveness of the programmes it managed.

The evaluation covers all the tasks carried out by CHAFEA during the reference period, from 2017 to March 2021.

The evaluation was supported by an external study<sup>9</sup> carried out by a contractor<sup>10</sup> commissioned by the Commission. The contractor assessed the six agencies following the same methodology and intervention logic and the six reports produced are similar in terms of structure. The study combined a retrospective and prospective analysis. The retrospective analysis assessed the operation of each Agency and its performance during the evaluation period, while the prospective analysis suggested recommendations for improving the performance of agencies going forward.

The results of this study are summarised in the evaluation. The evaluation is presented to the European Parliament, to the Council and to the Court of Auditors in line with Article 25(1) of the Council Regulation 58/2003.

According to the cost-benefit analysis carried out in 2013, delegating tasks to CHAFEA was estimated to be more cost-efficient than in-house scenarios. The Act of Establishment estimated that the alignment of more coherent programme portfolios with CHAFEA's core competences and its brand identity would bring qualitative benefits. In addition, it projected that assembling the management of different EU programmes would bring synergies, simplification and economies of scale.

A retrospective cost-benefit analysis for the period 2017/2018 to March 2021 was carried out based on the results of the 2013 *ex ante* cost-benefit analysis, the assumptions laid down in the specific financial statement and the actual costs of CHAFEA.

In addition to cost efficiency aspects, the evaluation also covers:

- the operations of CHAFEA and their alignment to the legal framework (Effectiveness).
- CHAFEA's processes, services, and products, as well as the allocation and use of their available financial resources. Aspects relating to the key (financial and non-financial) performance results of CHAFEA's operations, as well as human resources and the organisational structure (Efficiency).
- institutional roles and the delimitation of responsibilities between CHAFEA and its parent Directorates-General and the instruments put in place for effective coordination and information flow between these structures as well as the quality of the information provided (Coherence).

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<sup>9</sup> [https://health.ec.europa.eu/publications/study-supporting-evaluation-chafea-eacea-easme-ercea-inea-rea-2017-2021-final-report-chafea\\_en](https://health.ec.europa.eu/publications/study-supporting-evaluation-chafea-eacea-easme-ercea-inea-rea-2017-2021-final-report-chafea_en)

<sup>10</sup> PPMI Consortium: Public Policy Management Institute; IDEA Consult.

## **2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?**

### **2.1 Description of the intervention and its objectives**

The evidence framework for the evaluation of CHAFEA draws from the lessons learned from previous evaluations and is built in line with the Commission's better regulation principles.

The outsourcing of certain management tasks to the six agencies, including CHAFEA, according to the Council Regulation 58/2003 and Act of Establishment aims to:

- allow the Commission to focus on its institutional tasks, i.e. tasks assigned to the institutions by the Treaty on the Functioning of the European Union, which require discretionary powers in translating political choices into action. Such institutional tasks should not be outsourced;
- enable the Commission to achieve the objectives of the delegated EU programmes more effectively and efficiently.

The original objective of the intervention is to entrust CHAFEA with the implementation of several EU programmes in parts or in full.

During the evaluation period (January 2017-March 2021), CHAFEA implemented the following four programmes that were under responsibility of four parent Directorates-General:

- the 2014-2020 consumer programme (CP), Directorate-General for Justice and Consumers;
- the 2014-2020 public health programme (HP), Directorate-General for Health and Food Safety for Health and Food Safety and Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs;
- the food safety training measures (better training for safer food – BTSF), Directorate-General for Health and Food Safety;
- the promotion of agriculture products programme, Directorate-General for Agriculture and Rural Development.

The Agency also implemented the legacy of the previous programmes and actions.

CHAFEA carried out the following tasks:

- i) monitoring the projects, making the necessary checks and recovery procedures; performing budget implementation tasks covering revenue and expenditure:
  - awarding grants and managing the ensuing agreement or decision, including the operations required to launch and conclude grant award procedures;
  - concluding public procurement procedures and managing the ensuing contracts, including the operations required to launch and conclude public procurement procedures;
  - performing all the operations required to launch contests and award prizes in line with the relevant rules;
- ii) regarding programmes, CHAFEA is entrusted with the publication of the calls for proposals and with the selection of projects and actions;
- iii) providing support in programme implementation, in particular:

- collecting, processing and distributing data, and in particular compiling, analysing and transmitting to the Commission all information required to guide implementation of the programme, promote coordination with other EU programmes, the Member States or international organisations;
- contributing to evaluation of the impact of the programme and to monitoring the actual effect of the measures;
- managing and directing a network, in particular concerning the target public (beneficiaries, recipients, projects, actors);
- organising meetings, seminars or talks; organising training; in particular, organising Commission's own information and promotion campaigns for agricultural products;
- contributing to studies and evaluations, in particular the annual and/or mid-term evaluation of implementation of the programmes, and contributing to preparation and implementation of follow-up action on evaluations;
- preparing recommendations for the Commission on implementation of the programme and its future development;
- planning and implementing information operations;
- ensuring overall control and data supervision;
- participating in preparatory work on work programmes and financing decisions; managing technical support services.

CHAFEA's mission was therefore to efficiently manage the delegated programmes. In addition, CHAFEA aimed at successfully meeting the objectives of the programmes, in line with the Commission's priorities and the Directorates-General's guidance, ultimately contributing to the positive perception of the European project. The vision was to further develop CHAFEA as a centre of excellence for programme management, delivering meaningful results and a great place to work. Furthermore, the Agency was responsible for gathering, analysing and transmitting to the Commission all the information needed to guide the implementation of the EU programmes<sup>11</sup>.

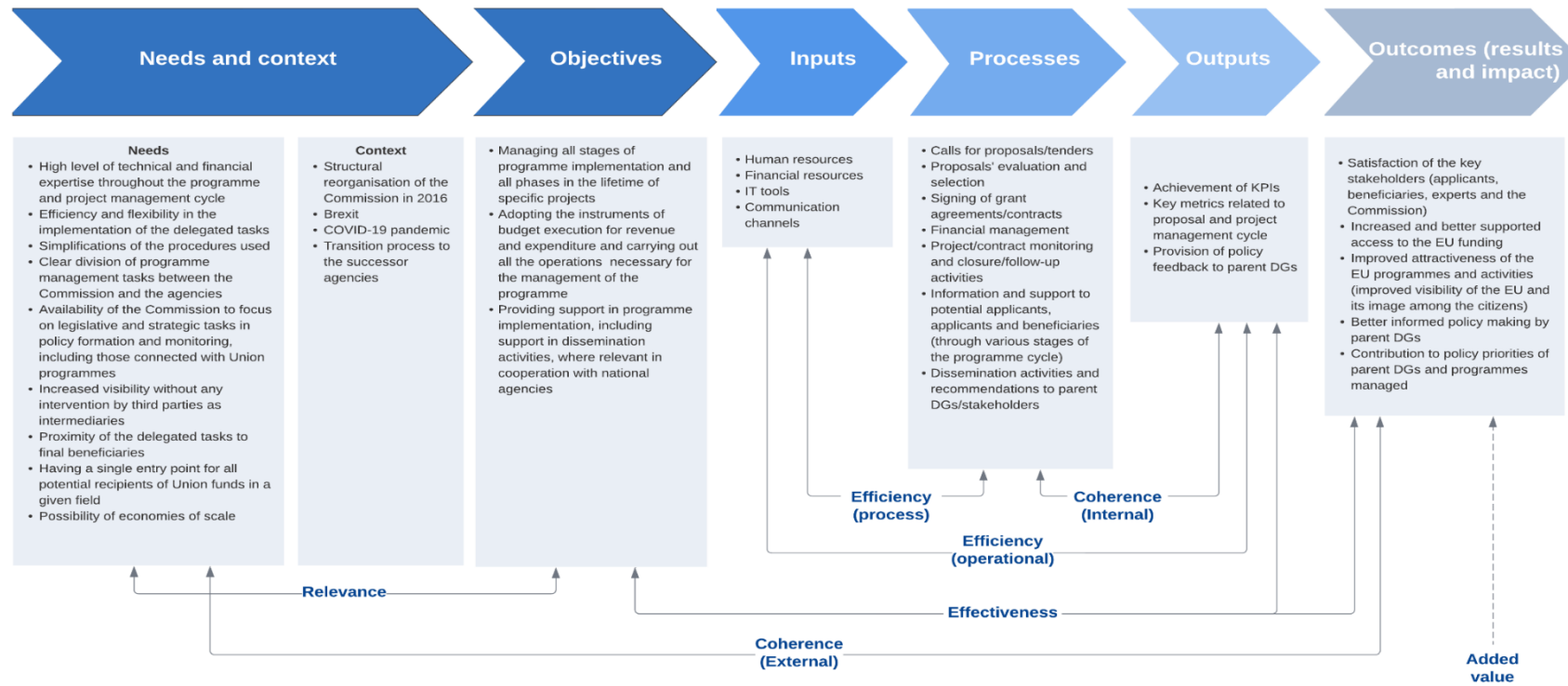
The intervention logic of CHAFEA closely follows the provisions and logic provided in the key documents defining the objectives, tasks, activities of the Agency. The overall needs were derived from the Agency's legal bases which defines the factors against which the needs to establish an executive agency should be assessed.

Figure 1 summarises the intervention logic of CHAFEA.

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<sup>11</sup> Annual activity reports of CHAFEA, 2017-2020.

Figure 1. CHAFEA's intervention logic



Source: Study supporting the triennial evaluation of the Agency

## 2.2 Point(s) of comparison

The current evaluation of CHAFEA for the period 2017 to 2021 assesses the actual costs and benefits of delegating the programmes and having them implemented by the Agency, as compared with the alternative scenario in which the programmes are implemented and managed by the Commission (in-house scenario).

Accordingly, the reference point for the CHAFEA evaluation is the 2013 *ex ante* cost-benefit analysis and the specific financial statement of CHAFEA.

The analysis of CHAFEA's performance during the current reference period assesses progress achieved since the previous evaluation which covered the period 2014-2016<sup>12</sup>.

According to the specific financial statement of CHAFEA prepared in 2013, the estimated efficiency gains was EUR 7.4 million over the period 2017-2020. The total number of full-time equivalents required to manage the delegated programmes in 2020 was estimated at 79. The total initial operational budget of programmes delegated to CHAFEA in 2020 was estimated at EUR 199 million in commitment appropriations and EUR 177 million in payment appropriations.

Over the evaluation period, significant efficiency gains were expected, as compared with the in-house scenario, which were complemented by non-quantifiable benefits and outcomes such as improved quality of programme management and service delivery, improved visibility of the EU programmes and proximity to the beneficiaries and other stakeholders.

## 2.3 Methodology

The evaluation was supported by a study carried out by an external contractor. The study covered the evaluation of the six executive agencies (INEA, EACEA, EASME, ERCEA, CHAFEA and REA) in the period between 2017-2018 and March 2021 in a coordinated manner, based on the same methodology. The study was structured around a series of evaluation questions outlined in Annex III.

An overarching organisational model based on the common assessment framework 2013 (CAF 2013)<sup>13</sup> was applied to understand the relationships between different factors in each Agency, based on surveys, interviews with stakeholders and call for evidence which gathered information and perspectives on the agencies' performance.

The evaluation followed an evidence-based and mixed-methods approach, using qualitative and quantitative data to answer evaluation questions. Triangulation of data sources strengthened the validity of the findings.

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<sup>12</sup> [LexUriServ.do.europa.eu](https://lexUriServ.do.europa.eu) and [Study supporting the evaluation of the operation of the Consumers, Health, Agriculture and Food Executive Agency \(2014-2016\) - Publications Office of the EU \(europa.eu\)](#)

<sup>13</sup> The CAF Resource Centre of the European Institute of Public Administration, CAF 2013: Improving Public Organisations through Self-Assessment, p. 9.

The mixed-method approach was used, based on the nature of evaluation questions and issues.

The shifting of programmes among agencies, along with considerable staff mobility that took place when the mandate of the agencies was renewed under the 2021-2027 EU budget (multiannual financial framework) complicated the information gathering, including of programmes and calls data, desk-material and documents, as well as finding potential interviewees who managed the related projects between 2017 and 2021.

The mixed-method approach is defined as the coordinated use of more than one social science paradigm, methodology and/or method in order to improve the understanding of the phenomena under investigation. The mixed-method approach connected a:

- qualitative approach, based on documentary review and desk research, interviews, answers to open-ended survey questions, and a qualitative cost-benefit analysis;
- quantitative approach, based on administrative and monitoring data, surveys, and a quantitative cost-benefit analysis.

These methodological approaches to mixing methods were used in a complementary manner, i.e. the results of the quantitative methods were used to enhance the understanding of the qualitative results and vice versa. These methods were applied in a differentiated manner, according to the nature of the evaluation questions and the issues outlined. While all the questions and issues were analysed both qualitatively and quantitatively, in answering some of the evaluation questions, greater focus was given to the qualitative methodological approach, while other questions were addressed primarily by relying on quantitative evidence.

In addition to the overall methodological approach, specific strategies were used for the case CHAFEA.

Methods and data to inform the evaluation of findings covered the followings issues:

- documentary review and desk research;
- areas for in-depth study;
- an interview programme;
- a survey programme;
- a cost-benefits analysis.

### **Limitations of the methodological approach and findings**

The evaluation is based on reliable evidence covering the three evaluation criteria of effectiveness, efficiency and coherence in CHAFEA's operations during the evaluation period.

The results and conclusions are limited to the evaluation evidence and findings regarding the business processes, management practices and performance of CHAFEA, without providing any assessment of the programmes delegated to the Agency. The implementation of these programmes and their results has been assessed in separate evaluations. The findings of these evaluations were used in the external study supporting the evaluation.

Overall, the evaluation of CHAFEA provides robust findings built on the triangulation of high-quality data collected through a documentary review, desk research, a cost-benefit analysis, stakeholder consultation activities (the survey programme and interviews), and an analysis of the in-depth study areas identified in the previous section.

A number of challenges were encountered that imposed certain limitations on the results of the evaluation. First, response rates to the surveys were low, standing at 17% overall for beneficiaries and unsuccessful applicants (compared with 23-25% for the previous evaluation) and 39% for external experts (compared with 56% for the previous evaluation).

To mitigate the limitations of the survey data, the external study relied strongly on data triangulation – i.e. where available, qualitative data were used to support the assessment of parameters that had initially been planned as being evaluated (only) quantitatively.

In addition, due to the nature of the questions involved, the answers to certain evaluation questions relied largely on desk research and interview data. To mitigate this issue, the contractor for the external study developed an extensive programme of interviews involving the Commission and CHAFEA staff from various levels of management as well as experts, beneficiaries and unsuccessful applicants to various programmes managed by the Agency.

Some limitations also relate to the timing of the evaluation (after the closure of CHAFEA). Despite the assistance of HaDEA's representatives, there were some delays in the provision of data, and a very small number of cases in which data were inaccessible. Furthermore, the closure of CHAFEA caused a certain loss of institutional memory, which may have negatively affected the ability of some stakeholders to participate in the survey and interview programmes. Due to the termination of CHAFEA's activities, some of the prospective evaluation questions were not applicable to its evaluation.

The conclusions and the recommendations proposed by the study were discussed with the Agency and its parent Directorates-General. Annex II sets out more detailed information on the overall methodology, and specific strategies and limitations.

### **3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?**

#### **Current state of play**

This Chapter includes a general description CHAFEA during the evaluation period, including its mission and tasks and any relevant change.

The COVID-19 pandemic is a common factor that affected the operations of all agencies. While the agencies followed the Commission's guidelines in dealing with COVID-19 pandemic, work had to be adjusted in terms of day-to-day working arrangements (e.g. digitalisation of the agencies' processes, telework and remote collaboration) and project management (e.g. project extensions or suspensions which led to legal/contractual amendments and rescheduling of reviews and payments). CHAFEA mitigated the related risks by making adjustments to its operations and working arrangements and succeeded to ensure business continuity and to deliver on its related workplans.

Towards the end of the evaluation period, in addition to the implementation of the programmes delegated, the executive agency started preparations of the implementation of the 2021-2027 EU budget (multiannual financial framework) while adjusting also to the realities of COVID-19 pandemic.

CHAFEA was created in 2014 by Implementing Decision No 2014/927/EU<sup>14</sup>, which broadened the competences previously entrusted to the Consumers, Health and Food Executive Agency with certain implementation tasks on the information provision and promotion measures concerning agricultural products implemented in the EU single market and in non-EU countries, as well as other Commission initiatives. For the evaluation period, CHAFEA was operating under the legal framework governing the agencies and had no amendments of its mandate.

Overall, CHAFEA was responsible for the management of a wide variety of programmes with specific objectives, funding instruments and diverse types of stakeholders and beneficiaries, in particular the consumer programme (CP), the public health programme (HP), food safety training measures ('better training for safer food' or BTSF) and the promotion of agricultural products programme (AGRIP).

CHAFEA was based in Luxembourg and had its staff increased from 61 in 2017 to 66 in 2018, 75 in 2019 and 77 in 2020. Its administrative budget was EUR 9.3 million in 2017, EUR 10.2 million in 2018, EUR 11.2 million in 2019 and EUR 10.7 million in 2020.

The total operational budget managed by the Agency increased from EUR 128 million in 2017 to EUR 171 million in 2018, EUR 186 million in 2019 and EUR 179 million in 2020. The corresponding 'budget managed per head' ratio was EUR 2.1 million in 2017, EUR 2.6 million in 2018, EUR 2.5 million in 2019 and EUR 2.3 million in 2020.

The number of projects increased from 239 in 2017 to 247 in 2018 and decreased to 173 in 2020. The number of projects 'per operational head' significantly decreased during the evaluation period by 52%, from 5.01 in 2018 to 2.40 in 2020.

The Agency's diverse and fragmented portfolio of programmes and actions was in contrast to those of certain agencies from the research and innovation family, that focused on single funding programmes and achieved scale/efficiency gains by managing a very large volume of grant proposals and projects (e.g. REA and ERCEA). In addition, there were limited complementarities and synergies among the programmes themselves, both in terms of specialised knowledge and forms of delivery. Managing such a diverse and fragmented portfolio of programmes required very different skills in terms of implementation and financial tools used, as well as very specific thematic knowledge. For example, BTSF and the initiatives under the promotion of agriculture products programme relied heavily on procurement, the HP relied both on grants and procurement, while the CP was mostly employing grants and joint actions.

CHAFEA underwent a structural reorganisation in 2016 to align with the changes that took place in the related structures of its parent Directorates-General. This realignment included the establishment of the Health and Food Safety unit which consolidated the

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<sup>14</sup> COMMISSION IMPLEMENTING DECISION of 17 December 2014 amending Implementing Decision 2013/770/EU in order to transform the 'Consumers, Health and Food Executive Agency' into the 'Consumers, Health, Agriculture and Food Executive Agency'.

management of health and food safety programmes. Additionally, a new unit was created to handle consumer, legal, and financial matters. The reorganisation aimed to improve communication, balance workload, and enhance efficiency within CHAFEA. These changes were finalised in 2018 and aimed to better align CHAFEA with its parent Directorates-General and their respective responsibilities.

#### **4. EVALUATION FINDINGS (ANALYTICAL PART)**

##### **4.1. To what extent was the intervention successful and why?**

Section 4 reports on the main study findings relating to the evaluation criteria of effectiveness, efficiency, and coherence of the executive agency.

Effectiveness relates to how successful the Agency has been in achieving or progressing towards its objectives. Efficiency considers the relationship between the resources used by the Agency and the output. Coherence looks at any overlaps and complementarities within the programme portfolio managed by the Agency or delimitation of responsibilities between the Agency and its parent Directorates-General.

Overall, during the evaluation period CHAFEA effectively and efficiently met its mission and objectives within the existing regulatory and operational framework. The Agency was however responsible for the management of a broad variety of programmes within a diverse and fragmented portfolio, which limited economies of scale in programme management and made it difficult for it to exploit synergies and complementarities among them.

##### **4.1.1. Effectiveness**

CHAFEA operated in line with the legal framework that established it and aligned its activities effectively with its mandate during the evaluation period.

Two main Commission Decisions remained the basis for its governance in 2017-2021:

- **Commission Implementing Decision 2013/770/EU** of 17 December 2013 establishing the Executive Agency for Consumers, Health and Food and repealing Decision 2004/858/EC as amended by Commission Decision 2014/927/EU of 17 December 2014<sup>15</sup>; and
- **Commission Decision C(2013) 9505 of 20 December 2013** delegating powers to the Consumers, Health and Food Executive Agency with a view to the performance of tasks linked to the implementation of Union programmes in the field of consumers, health, and food comprising, in particular, implementation of appropriations entered in the general budget of the Union as amended by the subsequent decisions C (2014) 9594 and C (2015) 2856.

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<sup>15</sup> Commission Implementing Decision (EU) of 17 December 2014 amending Implementing Decision 2013/770/EU in order to transform the 'Consumers, Health and Food Executive Agency' into the 'Consumers, Health, Agriculture and Food Executive Agency' (2014/927/EU).

During the 2017-2021 period, CHAFEA continued to implement the HP, the CP, the BTSF (2014-2020), and the AGRIP (2016-2020). The Agency contributed effectively to the achievement of the programmes' objectives.

According to the annual activity reports (AARs), the Agency also supported the Commission in other activities detailed in the work programmes agreed by all parties.

### *Adaptability and flexibility*

Further to the reorganisation of the Commission which took effect on 1 February 2016 through which the Directorate-General Health and Consumer Protection was reorganised into Directorate-General for Health and Food Safety, and the consumer programme, managed by CHAFEA, was transferred to Directorate-General for Justice and Consumers, CHAFEA introduced a new organisational structure to adapt to these changes and to align with the structure of its parent Directorates-General.

As a result, the Health and Food Safety unit was established to manage two programmes under the remit of Directorate-General for Health and Food Safety, namely, the HP and the BTSF (which was previously managed in combination with the CP). This improved programme management and allowed efficiency gains. In addition to this, the Consumer, Legal and Financial Issues unit was established.

According to interviews of parent Directorates-General representatives, the new organisational structure was evaluated positively in terms of streamlining interactions between the Agency and its parent Directorates-General. It allowed the Agency to better respond to and track the needs of its parent Directorates-General, as well as improving communication. Furthermore, it contributed to better workload balance across the units.

The outbreak in 2020 of a global COVID-19 pandemic posed a major public health threat and socio-economic challenge across Europe. As a result of the changes brought about by COVID-19, CHAFEA not only had to adapt its operations (budget, working methods), but also its programme management, as the programmes managed by the Agency were especially pertinent to the situation. Despite the difficult situation, the Agency demonstrated overall flexibility and successfully adjusted both its programme and internal management to meet the challenges of COVID-19.

In terms of programme management, in cooperation with its parent Directorates-General, in particular with Directorate-General for Health and Food Safety, CHAFEA reallocated resources and opened new funding instruments to support the design and execution of COVID-19 mitigation measures. For example, joint actions in health security were steered, in collaboration with Directorate-General for Health and Food Safety, to combating the COVID-19 pandemic. These included healthy gateways, in which CHAFEA assisted Member States in strengthening their capacity to combat cross-border health threats. Furthermore, the joint action on the strengthened international health regulations and preparedness initiative was launched to ensure quality control and capacity building for precise diagnostics during the early stages of the pandemic<sup>16</sup>.

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<sup>16</sup> CHAFEA, Annual Activity Reports, 2019-2020.

Another indication of CHAFEA's flexibility is reflected in the special calls for proposals it launched. Two calls were launched on behalf of Directorate-General for Health and Food Safety, funded under the emergency support instrument. One of these concerned support for blood establishments to deliver convalescent plasma-based therapies. The other concerned the screening of medicines to treat COVID-19. At the same time, to respond to market disturbance in several agricultural sectors (fresh fruit and vegetables, dairy products, wine, horticultural products, potatoes for processing), CHAFEA opened two further (crisis) calls for proposals (EUR 5 million per call) in cooperation with Directorate-General for Agriculture and Rural Development<sup>17</sup>. In terms of BTSE measures, CHAFEA's AARs and interviews with former Agency staff both noted the increasing prevalence of e-learning modules during the COVID-19 pandemic.

Also, in response to the COVID-19 pandemic, CHAFEA adapted many of its running grants and service contracts to accommodate remote ways of providing expected deliverables, through the signing of more than 20 amendments<sup>18</sup>. The digitalisation of procurement procedures provided the opportunity to continue operating smoothly during the pandemic.

However, grants and contracts signed before COVID-19 posed a challenge. To address this issue, CHAFEA prepared guidelines for beneficiaries and contractors, at the same time respecting the legal framework. The effectiveness of these measures is reflected in the fact that 94% of beneficiaries and unsuccessful applicants confirmed that CHAFEA demonstrated flexibility towards them by adjusting/extending deadlines or agreeing to other changes to the project that were necessary because of the COVID-19 pandemic.

Interviews with beneficiaries and external experts confirmed that, in general, COVID-19 had no significant impact on the implementation of their projects/tasks, due to the effective support they received from CHAFEA. For example, CHAFEA assisted beneficiaries in relocating funds as a result of pandemic-related changes. Meanwhile, interviews with external experts reported that the COVID-19 period was not only handled successfully, but also laid the groundwork for better post-pandemic arrangements. Following COVID-19, external experts continued to work remotely online, which was considered a better practice than spending a week in Luxembourg for experts who typically also have full-time jobs.

On internal management, CHAFEA successfully adapted its business processes to respond to new conditions. It had adopted workflows to be used in the event of a pandemic and issued guidance for the staff on when and how to use these adjusted workflows.

On Brexit, CHAFEA identified transactions that were likely to be affected by this change, and began preparing in 2019, in cooperation with parent Directorates-General and other Commission departments. In 2020, following the implementation of the EU-UK Withdrawal Agreement, the Agency carried out corresponding changes to the tasks under its responsibility. For example, the CHAFEA website was updated in line with instructions from the Directorate-General for Communication (DG COMM) while

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<sup>17</sup> CHAFEA, Annual Activity Report 2020.

<sup>18</sup> CHAFEA, Annual Activity Report 2020.

specific disclaimers were added to calls for proposals launched during this period. In addition, CHAFEA adjusted its programme management activities to the new circumstances. Accordingly, in 2020 the BTSF initiative included training for 82 Northern Ireland authorities on the new rules in preparation for the Brexit situation<sup>19</sup>. Despite the high level of uncertainty in terms of cooperation with EU institutions and partners caused by Brexit, CHAFEA was flexible and supportive, allowing for a successful completion of the relevant projects.

### ***Transition from CHAFEA to successor executive agencies***

In the context of the delegation of EU 2021-2027 programmes to agencies and building on the results of the cost-benefit analysis, on 29 April 2020 the Commission proposed the winding up of CHAFEA and transfer its tasks to Brussels-based agencies from 1 January 2021. On 11 November 2020, this approach was confirmed by the College of Commissioners, but the date of winding up was deferred to 31 March 2021. CHAFEA was therefore the first Agency to be wound up.

The decision to transfer the tasks of CHAFEA to other agencies while creating a new agency dedicated to health and digital programmes was aimed at developing more coherent agency portfolios, increasing the size of all agencies, as well as creating the possibility to develop synergies across agencies. According to the Commission's Communication<sup>20</sup>, the size of CHAFEA was sub-optimal, its staff costs were higher than those of its Brussels-based counterparts, and its portfolio was fragmented.

Further to the decision to wind up the Agency, it was necessary to implement the transition from CHAFEA to successor agencies within a short period of time, while ensuring the efficient implementation of existing programmes. In addition, it was necessary to implement this transition during the COVID-19 pandemic, at a time when CHAFEA also needed to adopt safety measures, to adapt its working processes and to introduce teleworking for all of its staff. Furthermore, there was uncertainty about the organisation of such a complex transition. Therefore, consultations were carried out with the Commission's internal departments, Directorate-General for Human Resources and Security, the Secretariat-General, Directorate-General for Budget and the individual successor agencies, on how to make the transition easier.

Despite some staff turnover during the transition process (more than 20 staff left the Agency in 2020), new staff were recruited to execute ongoing tasks, and the staff of CHAFEA showed high engagement and commitment during the transition process. The fact that certain members of the Agency's staff were recruited by the Directorate-General for Health and Food Safety units based in Luxembourg reduced the loss of the accumulated knowledge. The transition process was facilitated by the use of common IT systems and tools (e.g. eGrants) in CHAFEA and its successor agencies, with former CHAFEA staff being able to use the same tools in the successor agencies. Representatives of the Agency's parent Directorates-General highlighted the smooth

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<sup>19</sup> CHAFEA, Annual Activity Report 2020.

<sup>20</sup> COMMUNICATION TO THE COMMISSION: Delegation of the management of the 2021-2027 EU programmes to executive agencies C(2021)946 final.

implementation of programmes, and the business continuity that was ensured during the transition process.

### *Effective implementation of the delegated programmes*

CHAFEA effectively aligned its objectives with those outlined in the legislative and strategic framework, as well as with those of its parent Directorates-General. It also mostly achieved its intended outputs (key performance indicators).

Key stakeholders (parent Directorates-General, beneficiaries, unsuccessful applicants and external experts) were generally satisfied with CHAFEA's performance. Representatives from the Agency's parent Directorates-General emphasised its flexibility towards grant and procurement management, while the survey revealed higher levels of satisfaction among beneficiaries and external experts (compared with the previous evaluation).

CHAFEA also initiated and implemented a number of innovative management practices, including the development of a manual of procedures, the compass tool for eGrants, the PM<sup>2</sup> project management methodology, guidelines for the implementation of promotional activities with Directorate-General for Agriculture and Rural Development, and the 'evaluation of evaluations'.

CHAFEA's mission was to efficiently manage the four programmes and successfully meet their objectives, while its strategic objective was to further develop the Agency as a centre of excellence for programme management<sup>21</sup>. The study supporting the evaluation revealed that these objectives were successfully achieved. At the same time, there was scope for further improvement in organisational procedures and activities.

During the evaluation period, CHAFEA supported its parent Directorates-General in achieving their policy objectives by addressing several policy objectives of the parent Directorates-General. The evaluations of the programmes delegated to CHAFEA<sup>22</sup> and the annual reports of parent Directorates-General confirm that CHAFEA effectively supported the implementation of these objectives.

For instance, the annual reports of Directorate-General for Health and Food Safety highlighted that CHAFEA's expertise helped to orient projects towards results that reflected the original intent of the policy. As stated, the policy objectives were achieved thanks to close collaboration between CHAFEA and Directorate-General for Health and Food Safety, and a high level of flexibility, within the limits of the EU Financial Regulation<sup>23</sup>.

Representatives of parent Directorates-General emphasised CHAFEA's contribution to EU policy goals and the Commission's priorities. In addition, interviewees suggested that the Agency demonstrated excellence in terms of project and programme management by

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<sup>21</sup> CHAFEA, 2017-2020 annual work programmes.

<sup>22</sup> European Commission (2019), Commission Staff Working document, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the mid-term evaluation of the Consumer Programme 2014-2020 {SWD(2019) 382 final}; European Commission (2017), Commission Staff Working document, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Mid-term evaluation of the third Health Programme 2014-2020 {SWD(2017) 333 final}.

<sup>23</sup> Directorate-General for Health & Food Safety, 2017-2021 annual activity reports.

implementing projects within time limits and according to the relevant rules, and by appropriately disseminating information.

However, from the parent Directorates-General' point of view, the management of procurement activities could have been further improved through the establishment of tailored key performance indicators and by reconsidering resource allocation.

The study supporting the evaluation also revealed that CHAFEA-managed to mostly produce its intended outputs and results.

The percentage of successfully concluded calls varied between 90% and 100%, with specific exceptions, such as 75% of calls planned within the CP being launched in 2018. On procurement, most of the planned procedures were implemented, and only a few of them were cancelled. There were two key reasons for the cancellation of procedures, namely, a change of policy priorities or a lack of adequate offers from the framework contractors.

To achieve its operational results, the Agency has set a 100% target for all key performance indicators: time-to-inform, time-to-grant and time-to-pay. Overall, CHAFEA met the targets for these indicators, with minor deviations. Time-to-inform and time-to-grant indicators were mostly within the target, except for a few specific cases (e.g. time-to-inform and time-to-grant were exceeded for the HP in 2017). Time-to-pay was noted as an issue and was addressed using corrective measures (e.g. simplified financial circuits, active monitoring, and a warning system at unit and corporate level).

The study showed that all key stakeholders (parent Directorates-General, beneficiaries, unsuccessful applicants and external experts) were generally satisfied with the performance of CHAFEA. Representatives from parent Directorates-General emphasised the Agency's flexibility in grant and procurement management while the survey results revealed higher levels of satisfaction among beneficiaries and external experts compared with the results of the previous evaluation.

To achieve its goals, the Agency introduced a number of innovative management practices that contributed to its overall effectiveness and efficiency.

To standardise procedures for CHAFEA's four programmes, the Agency developed a manual of procedures, which mapped out all relevant actions, including financial management, procurement, HR and legal procedures. This manual was found useful by interviewed Agency's staff members and was later adapted by successor agencies.

In addition, CHAFEA continuously worked on further simplifying its tasks. The compass tool for eGrants contributed to significant simplification of grant implementation. This tool, which enabled the transition from paper to electronic procedures, increased CHAFEA's efficiency and effectiveness. Simultaneously, the Agency started developing project management expertise as part of its mission to become a centre of excellence. The Agency's application of PM<sup>2</sup> project management methodology was highlighted as a good practice throughout the interviews.

One of the innovative practices implemented in the Agency was the 'evaluation of evaluations'. External expert evaluations of CHAFEA actions were further evaluated, i.e. another expert would examine how they had been evaluated, to learn where the

evaluation may, in some instances, have failed and to assess the evaluators' quality. However, this practice was discontinued in the final year of CHAFEA.

### ***Communication function of the Agency and feedback to policy to parent Directorates-General***

The communication function of CHAFEA effectively supported CHAFEAs mission of efficiently managing the delegated programmes and meeting their objectives. The Agency met (and occasionally exceeded) its communication targets. Most beneficiaries and external experts were satisfied with communication and interactions with CHAFEA. Beneficiaries regarded email, video conferences and phone contact as the most useful communication channels while experts were most satisfied with the information from online manuals and reference materials. An appropriate feedback loop was maintained between CHAFEA and the parent Directorates-General via several channels (meetings, emails, project database, etc.).

As set out in its legal basis, CHAFEA communicated all the information necessary to and resulting from the execution of its delegated programmes. Improving communication and dissemination activities was defined as one of CHAFEA's objectives<sup>24</sup>. Because they share responsibility for being a reliable source of information for stakeholders, the Agency and the parent Directorates-General collaborated in the implementation of communication and dissemination activities.

CHAFEA relied on the communication strategies of its parent Directorates-General when planning its own dissemination/communication activities. The Agency met its communication objectives and targets during the evaluation period. These targets were even occasionally exceeded (e.g. in 2020, 36 publications were published instead of the 12 planned). CHAFEA's communication and dissemination activities were primarily aimed at supporting the goal of communicating all information required for and resulting from programme management.

The communication activities of the Agency targeted the programmes' stakeholders, but the actions and contents were also available to the general public.

The percentage of Europeans who held a positive image of the EU was one of CHAFEA's communication indicators. CHAFEA, along with other agencies, aimed to contribute to improving the EU's image among the European public.

Furthermore, special attention was paid to broadening the reach of the Agency's programmes to new potential applicants. Interviews with all categories of respondents confirmed that CHAFEA's external communication was effective regarding this objective.

CHAFEA also aimed to increase application rates from Eastern European countries. However, the Agency's success in reaching out to potential participants relied heavily on ministries in Member States, which served as contact points. This objective was overall partly achieved.

Overall, CHAFEA published fact sheets, brochures and reports presenting the effects of EU actions. In addition, the CHAFEA website was updated in 2018 to make it more user-

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<sup>24</sup> CHAFEA, Annual Work Programmes 2017-2020.

friendly<sup>25</sup> The key groups of stakeholders (beneficiaries, unsuccessful applicants and external experts) considered CHAFEA-managed programmes as well promoted.

As set out in CHAFEA's legal basis, the Agency was responsible for gathering, analysing and transmitting to the Commission all the information needed to guide the implementation of EU programmes<sup>26</sup>, which made external communication with Directorates-General an important part of its activities. Evidence collected during the external study shows that there was adequate feedback to policy provided to Directorates-General. CHAFEA established several mechanisms to inform policymaking, which varied according to the specific programmes/teams. These mechanisms were mostly set up within the framework established in the memorandum of understanding. At Agency level, there were yearly meetings with all parent Directorates-General, at which CHAFEA reported on its achievements. CHAFEA provided feedback to policy to parent Directorates-General for the preparation of the work programmes, which was considered in the light of Commission priorities and policy direction.

The specific mechanisms and instruments put in place by the Agency to inform policymaking on the results of the programmes and other tasks delegated to the Agency are as follows:

#### Mechanisms and instruments

1.	Meetings between programme teams and representatives of parent Directorates-General
2.	Common meetings with beneficiaries and info days
3.	Calls and emails
4.	Annual reports
5.	Conclusion reports (health programme)
6.	Project database (health programme)
7.	OMEGA IT tool

Some of these mechanisms and tools (e.g. annual reports) were shared by all programmes. However, the implementation arrangements for others differed according to their programme teams and parent Directorates-General. For example, meetings were held monthly for some teams (health team, consumers team), but twice a month for others (AGRIP). Similarly, calls and email exchanges with Directorate-General for Health and Food Safety for the BTSF team occurred daily. Moreover, there were programme-specific tools that allowed the efficient exchange of data, related to programmes. For instance, the health team's project database was mentioned as a useful way to transfer project results into policymaking. Furthermore, CHAFEA and Directorate-General for Agriculture and Rural Development collaborated on the development of the IT tool OMEGA to facilitate information exchange and programme management. OMEGA allowed Directorate-General for Agriculture and Rural Development to do exports and downloads directly from the database, as well as to conduct research without relying entirely on employees from CHAFEA. Conclusion reports written after each action (for HP) provided the basis for feedback to policy that was based on experiences with project implementation. These documents contained the

<sup>25</sup> CHAFEA, Annual Activity Report, 2018.

<sup>26</sup> Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, Article 6 (2) (c).

main findings of projects and were regularly shared with Directorate-General for Health and Food Safety.

#### 4.1.2. **Efficiency**

##### ***Financial management and HR policy***

The management of CHAFEA's delegated programmes provided reasonable assurance that suitable controls were in place and working as intended, and the overall control framework was updated if the Commission requested it. Risks relating to legality and regularity of the underlying transactions were adequately managed, and activities were flexibly adjusted in response to changes in the framework. The Agency implemented its programmes using sound financial and human resource management (by operating in line with the Financial Regulation and consistently aligning its HR policy with the one of the Commission).

The Agency's activities complied with the Financial Regulation, which was updated in 2018 to steer the operations of the Commission and its agencies towards the new EU budget (multiannual financial framework). The Financial Regulation required that the organisational structure and the internal control systems used for the implementation of the EU budget were set up in line with standards/principles.

CHAFEA assessed its internal control systems during the evaluation period and concluded that the internal control standards/principles had been implemented and were functioning as intended<sup>27</sup>. Furthermore, the Agency systematically examined the available control results and indicators, as well as the observations and recommendations issued by internal auditors and by the European Court of Auditors.

On HR, CHAFEA continued to implement its HR policy with the main goal of creating and maintaining a high level of expertise for the optimal and efficient performance of the tasks with which it was entrusted.

In 2016 CHAFEA, adopted a new multiannual 2017-2020 HR strategy aiming to improve CHAFEA's performance in areas in which the Agency's performance was below the average for the Commission and its agencies. The HR strategy was followed by an action plan developed in 2017, which focused on:

- career development and talent management;
- the development of staff skills;
- performance and excellence;
- well-being at work; and
- collaborative skills and corporate culture.

According to this action plan, CHAFEA defined a goal to create more synergies with other agencies in HR matters.

Out of the 34 actions listed in the 2019 action plan<sup>28</sup>, 20 were finalised by the end of 2019, and most of the other actions were well advanced and being implemented on a recurrent basis at the beginning of 2020<sup>29</sup>.

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<sup>27</sup> CHAFEA, 2018 annual activity report.

<sup>28</sup> During 2019 some more actions were added to the existing plan to take into account the results of the Staff Survey and the recommendations of the Health, Safety and Security Committee.

### *Efficiency of the management and execution of programmes*

- i) CHAFEA worked efficiently on its evaluation and grant management processes. Overall, time-to-inform and time-to-grant improved during the evaluation period. The Agency adopted a risk-based control strategy regarding the payment of grants, which allowed the average time-to-pay to remain well below the contractual threshold for all types of payments.

Based on the findings from the study supporting the evaluation of the Agency, CHAFEA's performance on call management – from the opening of a call to the finishing of all administrative and preparation tasks – was both high and stable. The Agency managed to inform beneficiaries in a timely manner, efficiently concluded grant agreements/contracts within the legal deadlines and executed payments much faster than the contractual thresholds for all types of payments. Overall, as summarised in Table 1 below, CHAFEA was successful in achieving its deadline targets for all programmes.

The organisational changes (e.g. the adoption of a new organisational structure in 2018), and the further development of simplified and digitised application and grant/procurement management procedures, were instrumental for the Agency to improve the achievement of its key performance indicators.

The following deadlines for the execution of call management tasks and their subtasks applied during the evaluation period:

- time-to-inform, which is the time from the closing of a call to informing the applicants of the outcome of a scientific evaluation of their application, was set at 6 months;
- time-to-grant, which is the time within which the Agency was required to sign grant agreements with applicants or notify them of grant decisions, was set at 9 months;
- time-to-pay, which is the deadline set for the Agency from when it receives a request for payment to when it executes the payment. This varied according to the type of payment: 30 and 45 days for pre-financing, 60 days for further pre-financing, and 90 days for interim/final payments.

CHAFEA met its time-to-inform target for all programmes throughout the evaluation period.

On time-to-grant, CHAFEA also achieved its target for all programmes throughout the evaluation period. Nevertheless, the time-to-grant indicator for the CP increased substantially from 4.6 months in 2017 to 6.9 months in 2020. The sharp increase in this indicator was mostly caused by the complex grant preparation process, (which in turn simplified the process for beneficiaries during the submission phase, as well as some issues encountered with the IT tool<sup>30</sup> The average time-to-grant rose for the HP, which reached 8.6 months in 2017 before falling to 6.4 months in 2020. As for the AGRIP, a

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<sup>29</sup> CHAFEA, 2019 annual activity report.

<sup>30</sup> Ibid.

downward trend was also observed for the AGRIP, for which the time-to-grant fell from 8 months in 2017 to 5.4 months in 2020<sup>31</sup>.

On payments, CHAFEA executed an average of 540 relevant transactions per year, over the evaluation period. In 2018, the Agency introduced a risk-based control strategy on the payment of grants, with a strong focus on the time-to-pay indicator. Under this strategy, grants with a higher risk in terms of the beneficiaries' financial capabilities or financial accountability systems were subject to reinforced monitoring<sup>32</sup>.

In an audit on CHAFEA's control strategy, the IAS considered that this consultation practice resulted in delaying the time taken to assess the pre-final deliverables. In addition, as this time was not accounted for in the time-to-pay indicator, it did not fully comply with the single time limit provided by Directorate-General for budget in its 'guidance on commitments and payments'. Therefore, the IAS recommended taking appropriate measures to avoid long extensions to contracts (e.g. by planning sufficient time to review the draft deliverables with the parent Directorates-General)<sup>33</sup>. Specific actions were taken to increase cooperation between CHAFEA and its parent Directorates-General in terms of planning activities and setting realistic timelines.

*Table 1: CHAFEA's performance on key efficiency indicators within the legal deadline targets set*

	Time-to-inform			Time-to-grant			Time-to-pay			
	HP	CP	AGRIP	HP	CP	AGRIP	HP	CP	AGRIP	BTSF
<b>2017</b>	58.8%	100%	100%	82%	97%	100%	82.59%	93.1%	97.5%	95.88%
<b>2018</b>	84.8%	100%	100%	96%	90%	100%	97.35%	95.73%	98.82%	93.24%
<b>2019</b>	100%	100%	100%	98%	91%	100%	99.47%	100%	98.88%	100%
<b>2020</b>	100%	100%	100%	97%	91%	100%	100%	100%	100%	100%

*Source: Study supporting the triennial evaluation of the Agency, based on CHAFEA AARs, 2017-2020. Only the Time-To-Pay indicator is applicable for BTSF, which only had a procurement funding instrument.*

- ii) The cost-effectiveness of CHAFEA's management and control arrangements improved during the reference period. However, the Agency's programme management costs were the highest among all agencies, and its budget 'per operational staff member' was the lowest, meaning that the Agency managed a rather small volume of operational budget as compared with other agencies.

The cost-effectiveness of management and control arrangements can be expressed as the ratio between the administrative budget of the Agency and the operational budget it manages. A lower ratio indicates a higher level of cost-effectiveness. This ratio (in terms of payments) stood at 8.96% in 2017, and gradually decreased to 8.42% in 2020. This is related to a relative increase in the Agency's operational budget throughout this period.

CHAFEA's programme management costs were the highest among all agencies. The average ratio between the administrative and operational budget among the 6 agencies

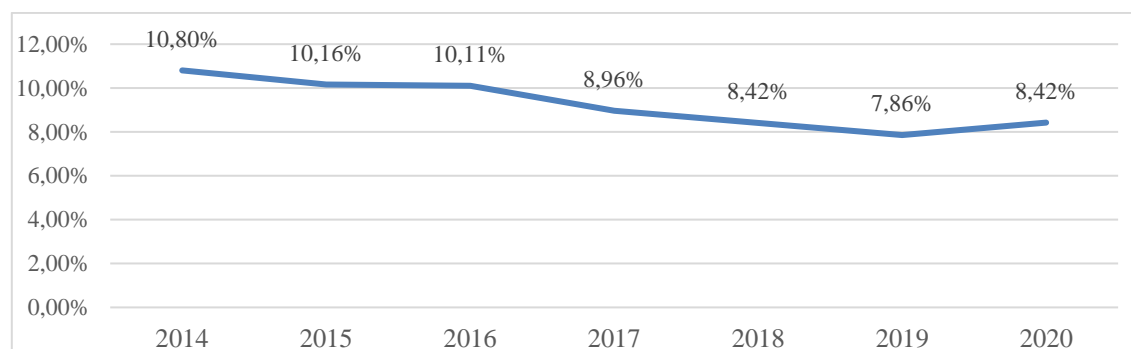
<sup>31</sup> This could be related to the thematic specificity of the AGRIP and the fact that the Agency adapted its activities to a hybrid or digital format and designed innovative ways of reaching out to target audiences, therefore deliverables were not delayed significantly as a result of the pandemic.

<sup>32</sup> CHAFEA, 2018 annual activity report.

<sup>33</sup> Internal Audit Service, Final audit report on the design and implementation of CHAFEA control strategy, 2020.

was 4.17% in 2020, with only CHAFEA and EACEA exceeding this average. CHAFEA also had the lowest value for budget ‘per operational head’ (in terms of commitments). This figure amounted to EUR 2.49 million in 2020 (compared with an average for all agencies of EUR 8.56 million)<sup>34</sup>. This indicates that the operational staff of the Agency managed a rather small volume of operational budget compared with those at other agencies. CHAFEA’s efficiency was therefore negatively affected by its small size, reducing its possibility to achieve economies of scale.

*Figure 2: Ratio between CHAFEA’s administrative and operational budget (in terms of payments)*



Source: Study supporting the triennial evaluation of the Agency, based on CHAFEA AARs, 2017-2020.

On the legality and regularity of its programmes’ expenditure and the functioning of programmes’ supervisory and control systems, CHAFEA set up internal control processes. These processes were aimed at ensuring the adequate management of risks related to the legality and regularity of the underlying transactions, taking into account the multiannual character of the programmes as well as the nature of the payments concerned. The related control objective was to ensure that the residual error rate did not exceed 2% on a cumulative basis by the end of each programme’s implementation stage. The multiannual residual error rate in 2017-2020 supporting CHAFEA’s declaration of assurance was below the 2% materiality threshold for almost all programmes delegated to the Agency.

A high residual error rate in 2019 for the HP was related to the 2008-2013 generation of the programme. This occurred as a result of one *ex post* audit leading to a high recovery amount (of about EUR 75 000 and over 50.0% of the EU contribution) being included in the sample<sup>35</sup>.

iii) The Agency managed to achieve its budget execution target in terms of both commitments and payment appropriations. The execution of the administrative budget in terms of commitment appropriations increased from 95% in 2017 to >99% in 2019 and 2020. In terms of payment appropriations, administrative budget execution increased from 74% in 2017 to 90% in 2020. A lower execution of payment appropriations (compared to commitment appropriations) throughout the evaluation period was related to carried-over appropriations during 2015 and 2016<sup>36</sup>. Also, in 2020, the COVID-19 pandemic had a negative influence on the

<sup>34</sup> The budget ‘per operational staff member’ was calculated according to the screening results (in FTE) provided by Directorate-General HR. See the results of the comparative analysis provided in Annex 6 of the external study supporting the evaluation.

<sup>35</sup> CHAFEA considered this case exceptional, and scarcely representative of the entire population.

<sup>36</sup> CHAFEA, 2017 annual activity report.

level of consumption of several administrative budget expenditures, especially those relating to the costs of training and missions<sup>37</sup>.

The operational budget was fully executed in almost all cases (>99%) in terms of commitment appropriations. In terms of payment appropriations, the Agency was also able to achieve almost full execution of its operational budget, ranging from 97% to 100% on average per year.

The efficiency of the management of the Agency's calls can be assessed through the applicants' success rate in receiving funding under the programmes managed by CHAFAEA. This success rate was fairly high, especially for the CP, which ranged from 80% to 98% during the evaluation period. Success rates for the HP were between 58% and 78%, while within the one within AGRIP was somewhat lower, ranging from 28% to 56%. This lower success rate under the AGRIP can be explained by a relatively high percentage of ineligible<sup>38</sup> or poor-quality proposals across the programmes managed by CHAFAEA<sup>39</sup>. Two additional calls under the AGRIP were issued in 2020 during the COVID-19 pandemic (crisis calls), which corresponded to 15 additional grants funded (out of 41 additional proposals).

### *Simplification of procedures and flexibility in the implementation of tasks*

- i) The Agency adopted several measures aimed at the simplification of procedures concerning both IT tools and management procedures.

The development of simplified and digitised application and grant/procurement management procedures (especially through the use of corporate tools such as Ares and PPMT) lowered administrative burden for all CHAFAEA stakeholders. Efficiency gains were obtained in terms of the reduced time taken to launch a request for services, due to simplified workflows and information being shared electronically.

The previous evaluation recommended that the Agency should take a more proactive role by working with DG Research and Innovation, notably the common support centre (CSC), which is responsible for the Horizon 2020 IT tools, to improve the user-friendliness and functionality of its IT tools and further simplifying the administrative provisions of the delegated programmes<sup>40</sup>.

In 2018, in line with these recommendations, CHAFAEA set up an interinstitutional task force on simplification, consisting of representatives of the Agency and its parent Directorates-General.

The purpose of the task force was to streamline rules and practices regarding the awarding and management of grants under the delegated programmes, in order to further standardise the controls and checks applied<sup>41</sup>. Among other suggestions, simplified forms of grants were reviewed, and consideration was given to several examples of simplification measures already adopted by other Directorates-General (e.g. a unit cost

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<sup>37</sup> CHAFAEA, 2020 annual activity report.

<sup>38</sup> Level of ineligible proposals corresponded to 15% in 2017, 10% in 2018, 4% in 2019, and 9% in 2020 (according to the dataset provided by REA).

<sup>39</sup> CHAFAEA, 2017-2018 annual activity reports.

<sup>40</sup> [LexUriServ.do \(europa.eu\)](https://lexUriServ.do.europa.eu)

<sup>41</sup> CHAFAEA, 2018 annual activity report.

for staff under the Directorate-General ESTAT model, a unit cost for travel from a Directorate-General for budget study, lump sums for grants in a Directorate-General for Research and Innovation call)<sup>42</sup>. However, the implementation of these simplification measures was delayed until the next EU budget (multiannual financial framework) due to the winding up of CHAFEA<sup>43</sup>.

- ii) Following the 2014-2016 evaluation, the Commission decided that the IT tools used under Horizon 2020 would become its common corporate tools.

Therefore, CHAFEA relied solely on these common corporate tools, which led to a higher level of standardisation. Throughout the evaluation period, CHAFEA introduced a variety of IT simplification measures. These include: the document management tool (Ares); raising awareness of the e-Domec rules and the harmonisation of practical guidelines concerning daily activities; joining the intranet for internal and inter-service communication; and adopting an integrated planning tool covering all four programmes, to ease the planning and monitoring of their main activities. Furthermore, the workflow under the document management tool Ares was simplified to remove a duplicated procedures.

On procurement, in 2020 CHAFEA adopted e-procurement, including the mode of e-submission, to align its practices with the Commission's digital agenda. Interviewees for this evaluation highlighted the usefulness of the PPMT corporate tool for e-procurement, which is used to manage the entire call for tenders' cycle, right up to the signing of the contract. CHAFEA was among the first agencies to adopt this tool, the adoption of which produced significant efficiency gains.

In terms of actions to simplify the management of the programmes delegated to the Agency, CHAFEA carried out a comprehensive documentation of the document management procedures, activities and roles within its corporate manual of procedures in 2019.

- iii) Most surveyed stakeholders (beneficiaries, unsuccessful applicants and external experts) were satisfied with the overall quality of the programme management services provided by CHAFEA.

However, the results of the surveys also indicated that there is still some room for further simplification of procedures, in particular regarding granting and reporting requirements, as well as increasing the user-friendliness of the IT tools for application submission, project management and reporting.

### ***Efficiency of the programming, evaluation and selection processes***

Based on evidence gathered during the study, CHAFEA managed to successfully launch and complete all calls for proposals set out in its annual work programmes (AWPs). To maintain the efficiency and transparency of the programming and call for proposals processes, it is important to ensure that information for applicants is clear and easy to find.

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<sup>42</sup> CHAFEA, the 54<sup>th</sup> Steering Committee Meeting, 2018.

<sup>43</sup> Minutes of CHAFEA's 2nd Interinstitutional Task Force Simplification Meeting, 2018.

The beneficiaries' survey reveals that 80% of respondents agreed that the information for applicants was easy to find while 72% agreed that it was clear. However, only 63% of beneficiaries agreed that the IT tool used for the application process was user-friendly, and 65% also agreed that the e-form used for application/submission was clear and easy to complete, showing that there was still room for the further simplification of the application process.

Most stakeholders agreed that the requirements of the application process were reasonable and proportionate, but some respondents claimed that the administrative burden was still too heavy in terms of information submission in one workflow, and a lack of streamlining across the templates.

***Efficiency of the process of concluding grant agreements and contracts, for the follow-up, monitoring and control of grant/contract implementation and for ex post controls***

Stakeholders were generally positive about their cooperation with CHAFEA during the project contracting phase.

CHAFEA beneficiaries were also generally positive about their cooperation with the Agency during the project implementation phase. A total of 97% of surveyed beneficiaries knew whom to contact or how to contact CHAFEA with any questions about the implementation of the grant/project, while 94% of respondents agreed that the answers they received from CHAFEA to their questions were clear and accurate. Most beneficiaries (87%) agreed that the monitoring activities carried out by CHAFEA staff or external experts working on behalf of CHAFEA were useful to the implementation of the grant/project.

A slightly lower share of beneficiaries agreed that the instructions given on reporting procedures were clear and user-friendly (73%) and that project reporting requirements were reasonable in comparison to the size of the grant and/or the scale of the project (77%). Overall, 78% of beneficiaries agreed that the process of monitoring the grant/project by CHAFEA was clear.

All of the respondents agreed that the CHAFEA employees assigned to the grant/project amendment procedure were easily available and responsive, and that the information and advice provided by CHAFEA during the amendment procedure was clear.

As for the time to pay, the survey results demonstrates that while beneficiaries were more satisfied with the time it took for CHAFEA to make pre-financing and interim payments (93% of respondents), they were less satisfied with the time it took to process final payments (80% of respondents). Overall, 90% of beneficiaries agreed that the payment process was smooth.

Evidence collected during the external study did not give rise to concerns regarding the implementation of *ex post* controls by CHAFEA. These are carried out on the costs declared to the Agency. They consist of verifying the legality and regularity of the underlying transactions, including public procurement controls to determine the amount of eligible declared costs (and consequently, the eligible EU contribution, which comprises cleared pre-financing and actual interim and final payment amounts).

Overall, 24% of respondents to the beneficiaries' survey indicated that their project underwent monitoring, and another 12% of respondents indicated that their organisation was audited. Two respondents out of these five agreed that the monitoring/audit process was smooth while only two respondents agreed that the scope of information requested

from them for the purposes of monitoring/audit was reasonable (another two disagreed and one was neutral).

Throughout the 2014-2020 EU budget (multiannual financial framework), a total of 40 *ex post* audits were performed on final payments under programmes managed by CHAFEA, most of which were performed under the HP (24 *ex post* audits). *Ex post* audits were carried out on grants accounting for 10.6% of the total value of the EU contributions for grants for which final payments were made in 2014-2019.

### ***Efficiency of internal organisation and procedures***

CHAFEA finalised a reorganisation in 2018 to increase synergies, increase the exchange of good practice, reduce silo effects, better align with the parent Directorates-General, and better balance its workload.

Due to its small size, CHAFEA was organised according to thematic portfolios and funding instruments. Organisation by thematic portfolios allowed the Agency to maintain a great deal of thematic knowledge. However, high thematic specialisation and different types of financial instruments limited the Agency's ability to improve the efficiency of its programme management. The Agency's high workload was closely linked to a diverse programme portfolio that was implemented through a wide mix of different instruments.

Due to the Agency's small size, staff vacancies had a much bigger impact on its work compared with larger organisations. Therefore, CHAFEA adopted specific measures to counter the effects of turnover. Horizontal (administrative) functions placed heavier pressure (in relative terms) on the resources of the Agency, compared with larger agencies.

The results of the 2018 staff survey revealed an improvement in almost all areas, therefore highlighting the positive impact of the actions taken under the 2016-2020 HR strategy.

#### **4.1.3. Coherence**

##### ***Delimitation of responsibilities and tasks between CHAFEA and its parent Directorates-General***

The legal framework and the memorandum of understanding set out clear provisions regarding the limits of responsibilities between CHAFEA and its parent Directorates-General, with a view to ensuring overall policy coherence and effective communication. In practice, there was still a need to further determine specific business processes and adjust CHAFEA's organisational structure in order to clarify the division of responsibilities and improve collaboration between the Agency and its parent Directorates-General. Therefore, continuous efforts were made to maintain the delineation of responsibilities between the Agency (programme management) and the Commission (policymaking) during the evaluation period.

The reorganisation of the Agency that took place in 2018 established a clear mirroring of the programmes delegated to CHAFEA and was instrumental in clarifying the Agency's relationship with its parent Directorates-General<sup>44</sup>.

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<sup>44</sup> CHAFEA, Annual Activity Report 2017.

In addition, a guidance document set up jointly by CHAFEA and Directorate-General for Agriculture and Rural Development in 2018 complemented the memorandum of understanding and further clarified joint work in the organisation of promotional activities (the implementation of promotional events and campaigns) under the initiative of the Commission.

On grant management, the delimitation of responsibilities was clear both within the legal framework and on the ground. In contrast, the implementation of delegated measures on the initiative of the Commission (procurements) required continuous efforts to delineate roles and tasks between the Agency and the parent Directorates-General<sup>45</sup>. As set out in the legal framework, parent Directorates-General prepared technical specifications for individual procurements while CHAFEA was responsible for organising these procurements, sign the contracts and monitor their implementation<sup>46</sup>. Former staff of CHAFEA were of the opinion that there were some uncertainties regarding this delineation during the implementation phase.

The parent Directorates-General delegated to CHAFEA the implementation of administrative tasks related to some politically sensitive topics. These typically took the form of technical support services through procurement and service contracts; operations aimed at enhancing the image of EU products and/or improving knowledge of the Union rules; and trade missions with political and business objectives, also known as '*high-level missions*' (in the case of the AGRIP). The most sensitive elements of the procurement activities were treated in close cooperation with the Commission to ensure respect of the delegation principles.

On high-level missions, CHAFEA was responsible for the organisation and implementation of the business aspects of these missions while Directorate-General for Agriculture and Rural Development was responsible for their public policy and political elements. This required the close involvement of the Commission in certain stages of implementation. The frequent presence of representatives from the Commission at promotional events/high-level missions organised by CHAFEA to deliver policy messages was complementary to the work delegated to the Agency, and in line with the legal framework.

Coordination between the Agency and the Commission became especially intertwined when it came to engaging with stakeholders in the countries visited, as well as with other external audiences reached by communication campaigns and events. While appreciating the workload that was relieved through the delegation of tasks to CHAFEA, the close involvement of the Commission was also needed to mitigate any potential reputational risks.

As far as the work programmes are concerned, the overall delineation of responsibilities was in line with the legal framework. The Agency was proactive overall in contributing to the drafting of these work programmes, but its contributions were limited to feeding monitoring information and indicating operational capacity without making proposals

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<sup>45</sup> In its report on CHAFEA's management and control system for the implementation of the measures for the promotion of agricultural products – 15/09/2017, the IAS noted that the roles and responsibilities of CHAFEA and Directorate-General for Agriculture and Rural Development needed to be clarified

<sup>46</sup> Memorandum of Understanding between the Consumers, Health, Agriculture and Food Executive Agency and Directorate-General Health and Food Safety, Directorate-General Agriculture and Rural Development, Directorate-General Justice and Consumers, Directorate-General Internal market, Industry, Entrepreneurship and SMEs: Modalities and Procedures of Interaction, 2016

regarding specific types of activities. The parent Directorates-General followed the policy priorities when considering the Agency's input.

Throughout the evaluation period, CHAFEA maintained appropriate interactions with its parent Directorates-General and supported them in drafting the work programmes primarily by providing information on the outputs of implementation from monitoring activities. Awareness regarding the delineation of responsibilities and tasks between CHAFEA and its parent Directorates-General was fairly high among beneficiaries and external experts.

The mechanisms through which the different responsibilities were communicated to beneficiaries involved various events, such as information and kick-off sessions, inception meetings, webinar programmes and finalisation events<sup>47</sup>. CHAFEA organised annual information sessions for its various programmes, at which different types of calls (including joint action calls and calls for proposals) were presented, demonstrating that the Agency dedicated deliberate attention to explaining the differences in the responsibilities of the Agency and the Commission during its meetings with beneficiaries.

***Better focus of the Commission on its policy-related tasks enabled by the delegation of programme implementation to the Agency***

The delegation of programme management tasks to CHAFEA enabled the Commission to better focus on its primary policymaking tasks. This was possible because the Agency was able to fulfil its responsibilities in an efficient and effective way. During the evaluation period, the workload in terms of project management – launching calls, executing programmes, organising evaluations, signing contracts and following them up – was very high. Therefore, retaining such tasks within the Commission would certainly have resulted in it having less time and dedicated attention to policy related tasks. While levels of coordination between the Agency and the parent Directorates-General varied (with Directorate-General for Agriculture and Rural Development and Directorate-General for Health and Food Safety occasionally being involved in redundant activities), all parent Directorates-General agreed that it was helpful overall to be able to delegate project management and procurement tasks to CHAFEA.

Managing contractual arrangements, preparing service contracts and other substantial work (such as drafting or problem-solving) were the main areas in which the parent Directorates-General indicated CHAFEA was very helpful in alleviating their workload and allowing them to focus on policy tasks. The Agency was especially valuable to its parent Directorates-General due to its extensive knowledge of funding mechanisms. The involvement of CHAFEA was also valued by parent Directorates-General when carrying out procurement activities, as it eased their workload significantly.

Furthermore, the Agency was especially valued by the parent Directorates-General for its agility and flexibility in accommodating last-minute requests.

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<sup>47</sup> CHAFEA, 2019 annual activity report.

***Maintenance by the Commission of an adequate level of know-how relating to programmes implemented by the executive agency***

The physical distance between the Agency (based in Luxembourg) and the Commission (in Brussels, with a Directorate of Directorate-General for Health and Food Safety being in Luxembourg) was not perceived as an important constraint on knowledge exchange, neither by the Agency nor by its parent Directorates-General.

This was because the Agency's staff made regular trips to Brussels and used other channels for information and reporting (even before moving to teleworking and online communication during the COVID-19 pandemic). Furthermore, the units of Directorate-General for Health and Food Safety responsible for steering and supervising the implementation of the HP were also located in Luxembourg.

Finding the right balance between performing the delegated tasks in relation to programme implementation, and the tasks related to promoting knowledge transfer and feedback to the Commission was somewhat of a challenge for CHAFEA during the evaluation period.

The study supporting previous evaluation revealed that the Agency lacked a standardised approach to the transfer of knowledge and information to the Commission. It was therefore recommended to harmonise reporting and to enhance the quality of reports and data. The Commission could contribute to this process by setting clearer and more uniform guidelines and expectations<sup>48</sup>. The Agency took steps to address these recommendations by taking stock of what had been developed with regard to information and the transfer of knowledge in 2017-2018 (e.g. a project end note for the HP was identified as a good practice). Seeking to harmonise different reporting approaches and to make the transfer of information more regular, a standard quarterly report template was designed in agreement with the parent Directorates-General<sup>49</sup>.

The need to improve the evaluation of results at the Agency level and the transfer of information and knowledge to the parent Directorates-General was highlighted by the Commission's strategy to move towards 'better performance' in 2018. In line with the recommendations of the previous evaluation and the Commission's move towards achieving more policy support, CHAFEA initiated an action plan on knowledge sharing and feedback to policy in the last quarter of 2020<sup>50</sup>. However, the action plan was not completed due to the announcement of the Agency's winding up.

During the evaluation period, CHAFEA collaborated with Directorate-General for Agriculture and Rural Development to answer questions from beneficiaries and Member States in relation to legislative interpretations. The detailed answers were posted on the CHAFEA website and organised by subject for easy searchability. This unique solution helped to streamline the work-intensive process of answering legal questions. In addition, it facilitated knowledge exchange between the Agency, its parent Directorate-General and stakeholders. However, following the winding up of CHAFEA, the large portal of tenders was moved to the website of one of its successor agencies, REA. In doing so, some of its efficiency has been lost, as the answers are no longer organised by subject, and are therefore more difficult to navigate.

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<sup>48</sup> European Commission, Directorate-General for Health and Food Safety, Study supporting the evaluation of the operation of the Consumers, Health, Agriculture and Food Executive Agency (2014-2016): final report, Publications Office, 2021, <https://data.europa.eu/doi/10.2875/085399>

<sup>49</sup> Action plan on addressing the external evaluation of the Agency, 2020.

<sup>50</sup> CHAFEA, the 59<sup>th</sup> Steering Committee meeting, 17 October 2019.

Another factor facilitating knowledge sharing between the Agency and its parent Directorates-General is the fact that a proportion of the Agency's staff were former policy officers from the parent Directorates-General who were seconded to the Agency as temporary agents. This facilitated the exchange of information and knowledge sharing between the Agency and the Commission's policy units. This mechanism was particularly relevant to the AGRIP, because the seconding of officials from Directorate-General for Agriculture and Rural Development helped to achieve a better understanding of political implications involved in the management of highly politically sensitive tasks of the Commission.

While the Agency contributed greatly to the overall success of programme results and was able to present them in a way that benefited the Commission's policymaking overall, a clearer, jointly agreed monitoring and feedback framework would have improved the clarity and relevance of the feedback provided. From CHAFEA's perspective, a clear communication of the Directorates-General needs would enhance the Agency's understanding of what kind of deliverables would have been most helpful in terms of feedback to policy. This echoes the previous evaluation's recommendation to set clearer and more uniform guidelines and expectations for feedback.

Despite agreement among representatives of the parent Directorates-General that there was always some room for improvement, CHAFEA was generally perceived as successful in appropriately disseminating information among the parent Directorates-General.

The quality and the level of feedback to policy provided by CHAFEA to its parent Directorates-General was therefore appropriate, albeit that there was room for a more systemic approach.

Overall, the policy support and the know-how provided by CHAFEA were seen as useful by the parent Directorates-General, especially when preparing a draft budget, monitoring reports, selecting financial instruments and other tasks.

Some success stories were noted, such as CHAFEA's support to Directorate-General for Health and Food Safety regarding EU cooperation in rare diseases.

In 2017, the European Ombudsman assigned an award to Directorate-General for Health and Food Safety for the good administration of EU cooperation in rare diseases. Directorate-General for Health and Food Safety's Director General gave credit to CHAFEA for the award, expressing appreciation for its efficiency in carrying out all of the procedures leading to the establishment of the European reference networks. This acknowledged CHAFEA's capacity to deliver support to important policy initiatives.

The main mechanisms and instruments that allowed the flow of information between the Agency and its parent Directorates-General throughout the evaluation period were based on various forms of engagement (primarily meetings: with management, dissemination, cluster) and reporting arrangements (e.g. design of a standard quarterly report template in agreement with its parent Directorates-General).

CHAFEA stood out for its well-organised website, which made it easy for the parent Directorates-General to extract any data required. One particularly useful feature allowed external organisations and partners to promptly find answers to their questions. The Agency also maintained a project database in which concrete deliverables were regularly published. This was highlighted during interviews as an important channel via which the Directorates-General could retrieve information for policymaking purposes. In terms of tools, CHAFEA introduced various groups in Microsoft Teams, with dedicated channels

and files in one place. The use of SharePoint and e-procurement also helped to streamline workflows.

***Benefit for the Commission from know-how created in the Agency through the monitoring, reporting and supervision arrangements put in place***

The monitoring, reporting and supervision arrangements put in place by the Agency and the Commission were effective and ensured both accountability and knowledge transfer between the Agency and its parent Directorates-General.

While updating the supervision and monitoring strategy to meet the needs of the Commission was the responsibility of the parent Directorates-General, the Agency showed initiative in suggesting additional improvements when needed.

CHAFEA worked under the supervision of its Steering Committee, which included representatives of the parent Directorates-General<sup>51</sup>. By participating in the Steering Committee meetings and reviewing all the information provided by the Director of the Agency, these representatives ensured the monitoring of the Agency. Their role also involved checking whether the information provided by the Agency was reliable and sufficient to draw management conclusions at Directorate-General level.

The Agency's annual activity reports were the main instruments in its management accountability to the Commission.

The transactions within the Agency's administrative budget were audited annually by the European Court of Auditors, while its operating processes and control system were audited by the IAS of the Commission. In addition, the programmes managed by CHAFEA were regularly evaluated by the Commission<sup>52</sup>.

Regular meetings and communication also served as an important part of monitoring, reporting and supervision arrangements between CHAFEA and its parent Directorates-General.

These meetings served as the main channel and opportunity to inform the parent Directorates-General about policy-relevant developments, trends and issues. At team level, meetings involved going through issues with either grants or procurement. At the unit level, they looked at the implementation of the programme and at upcoming activities. At the director level, a more cross-cutting review and reporting took place.

## **4.2. Cost-benefit analysis**

### ***Background***

A detailed cost-benefit analysis of all the agencies (including CHAFEA) was conducted in 2013 for the 2014-2020 EU budget (multiannual financial framework). The cost-benefit analysis compared the following four scenarios, based on varying levels of delegation and the distribution of programmes between different agencies:

- an in-house scenario, which assumed new programmes would be managed by the Commission while the agencies would remain responsible for the delivery of legacy work (2007-2013 multiannual financial framework programmes);
- an initial delegation scenario defined by the Commission;

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<sup>51</sup> CHAFEA, 2018-2019 annual activity reports.

<sup>52</sup> CHAFEA, 2019 annual activity report.

- two alternative delegation scenarios with different options for delegation among the agencies.

A description of CHAFEA's programme portfolio for the 2014-2020 period under different scenarios is presented in Table 2.

*Table 2: CHAFEA's 2014-2020 programme portfolio under different Cost-Benefit Analysis 2013 scenarios*

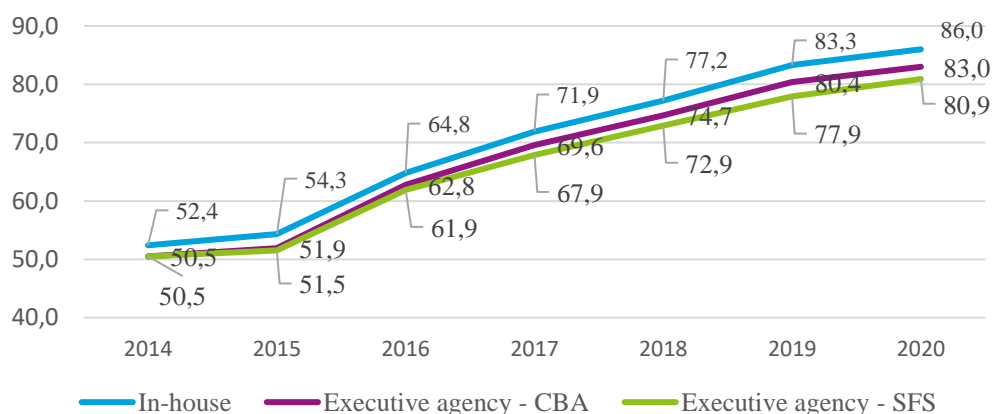
Initial scenario	Alternative scenario 1	Alternative scenario 2
2014-2020 consumer programme 2014-2020 public health programme Food safety training measures Agriculture promotion measures Parts of Horizon 2020 – Food security, sustainable agriculture, marine and maritime research and bio-economy Parts of Horizon 2020 SME instrument	2014-2020 consumer programme 2014-2020 public health programme Food safety training measures Agriculture promotion measures Parts of Horizon 2020 SME instrument <b>Changes compared with the initial scenario</b> Allocation to REA of parts of Horizon 2020 – Food security, sustainable agriculture, marine and maritime research and bio-economy	2014-2020 consumer programme 2014-2020 public health programme Food safety training measures Agriculture promotion measures <b>Changes compared with the initial scenario</b> Allocation to REA of parts of Horizon 2020 – Food security, sustainable agriculture, marine and maritime research and bio-economy Centralised management of the entire Horizon 2020 SME instrument by EASME

*Source: Study supporting the triennial evaluation of the Agency.*

It was concluded that alternative Scenario 2 was the most efficient in terms of cost savings and qualitative benefits.

In general, it was expected that the agencies would also benefit from economies of scale as they became larger. However, it was also noted that due to its small size, CHAFEA would not be able to fully reap the economies of scale in its operations. The new mandate almost doubled the ratio of budget 'per head' in the case of CHAFEA – from EUR 1.36 in 2013 to 2.49 million in 2020.

*Figure 3: Number of staff estimated under different delegation scenarios*



*Source: Study supporting the triennial evaluation of the Agency, based on the cost-benefit analysis and specific financial statement.*

*Note: includes staff at the Commission to ensure supervision of and coordination with CHAFEA.*

### ***Actual staffing and costs of CHAFEA***

During the 2017-2020 period of operations, the administrative budget actually implemented by CHAFEA<sup>53</sup> amounted to EUR 41.4 million and was higher than the specific financial statement estimates. This primarily related to the underestimation of CHAFEA's staff costs. The average staff costs were adjusted for 2014 taking into account CHAFEA's draft budget 2014, but for 2015 and further years the cost-benefit analysis estimates were used without any further adjustments. The cost-benefit analysis and specific financial statement estimations were based on the EU contribution alone, whereas CHAFEA's administrative budget also included contributions from EEA/EFTA and non-EU countries (EUR 0.59 million during the period 2017-2020) to manage an additional operational budget. However, contributions from EEA/EFTA and non-EU countries constitute around 1.4% of CHAFEA's total administrative budget, and do not change the overall results of the analysis.

**Staff-related expenditure** (Title I) was substantially higher than the initial estimates. This related to the underestimated average staff costs in the cost-benefit analysis and in the specific financial statement for 2015 and subsequent years. Such deviation reflected unsustainable initial cost-benefit analysis / specific financial statement assumptions: 1) as noted before, the average costs were not adjusted for inflation, and 2) the average staff costs for CHAFEA were based on the weighted average staff costs of all agencies, disregarding the fact that the actual staff costs for CHAFEA were higher. The higher level of salaries at CHAFEA compared with other agencies was related to several factors.

- Its location in Luxembourg – most Agency staff were expatriates entitled to corresponding benefits.
- CHAFEA was a small agency that managed four unrelated programmes. To manage actions related to important policy topics within these programmes, it was crucial to have qualified administrators at the FGIV level. Furthermore, due to the small size of each unit and the necessity to ensure business continuity in each programme, the proportion of FGIV agents in CHAFEA was higher than in many other agencies. This had an impact on CHAFEA's average staff cost for contractual agents. Due to higher living costs, the Agency had to offer higher-grade positions to attract suitable candidates with the right profile to manage these policy-relevant actions. It was known that the FGI salary was lower than the minimum legal salary in Luxembourg and the FGII salary was only slightly higher, making recruitment within these contract agents categories somewhat difficult in Luxembourg.
- Due to CHAFEA's small size, the impact of higher-salaried staff (middle and top management) on the average salary was higher than for other agencies.

The issue of higher staff costs was highlighted during the previous evaluation of CHAFEA and the corresponding retrospective cost-benefit analysis. During the 2017-2020 period, the actual average staff costs for CHAFEA were higher than the average costs across the Commission, both for temporary agents and contract agents (see Table 3).

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<sup>53</sup> Based on executed commitment appropriations.

The actual number of the CHAFEA staff<sup>54</sup> financed from the EU contribution was within the specific financial statement-estimated range in 2017-2020. The staff composition (the ratio between temporary agents and contract agents) corresponded to the specific financial statement estimates.

**Infrastructure and operating expenditure** (overheads, **Title II**) was lower than was estimated in the specific financial statement (~95% of the specific financial statement estimates in 2017-2020). The actual average overheads of CHAFEA were also lower than the average costs for the Commission.

Similarly, the actual **programme support expenditure** (**Title III**) remained below the specific financial statement estimates.

*Table 3: Estimated and actual average staff costs and overheads, EUR*

	2017	2018	2019	2020
<b>Average costs set by Directorate-General for budget for estimates of human resources and overheads in legislative financial statements</b>				
Average staff cost: temporary agents	115 000	119 000	123 000	125 000
Average staff cost: contract agents	47 000	50 000	52 000	55 000
Overheads	23 000	24 000	25 000	25 000
<b>Actual average costs<sup>55</sup> of CHAFEA</b>				
Average staff cost: temporary agents	143 826	140 256	138 472	144 928
Average staff cost: contract agents	65 221	70 754	68 447	70 058
Overheads	22 397	20 662	18 960	20 130

*Source: Study supporting the triennial evaluation of the Agency, based on the specific financial statement final annual accounts and the draft general budget of the EU.*

### ***Cost-effectiveness of the executive agency scenario and actual savings due to externalisation***

To assess whether the conclusions of the *ex ante* assessment (the estimates of savings provided in the cost-benefit analysis and specific financial statement) are still valid when compared with the actual situation, and what the overall possible savings are, the following approach was adopted:

- data were drawn on the actual performance of CHAFEA (actual execution of the administrative budget, actual staffing, etc.) for the executive agency scenario;
- to ensure comparability and validity of results, the assumptions laid down in the cost-benefit analysis and specific financial statement were followed, and estimates of the comparable ‘actual’ in-house (Commission) scenario (the comparator) that would best reflect the actual situation were provided;
- based on these estimates, it was assessed whether the conclusions of the cost-benefit analysis and specific financial statement *ex ante* assessments are still valid when compared with the actual situation, and what the overall possible savings are.

<sup>54</sup> Actual number of staff at the end of the year.

<sup>55</sup> Average staff costs include professional development and social expenditure.

To deconstruct the ‘actual’ in-house (Commission) scenario (the comparator), estimates were based on the following cost-benefit analysis / specific financial statement assumptions:

- staff numbers and composition at the Commission and CHAFAEA under the in-house scenario corresponds to the specific financial statement estimations;
- Commission staff costs and overheads correspond to the average costs set by Directorate-General for Budget for the estimates of HR and overheads in legislative financial statements for each year of the evaluation period 2017-2020.
- CHAFAEA’s average staff costs and overheads under the in-house scenario (for legacy) correspond to the actual average CHAFAEA’s staff costs and overheads for each year of the evaluation period 2017-2020.
- Programme support expenditure (Title III) remains the same under both the in-house scenario and the executive agency scenario.

### ***Results of the analysis***

The overall actual costs of the executive agency scenario<sup>56</sup> amounted to EUR 42.5 million during the period 2017-2020. To evaluate the extent to which the actual costs corresponded to the initial specific financial statement estimates, the same assumptions that produced such specific financial statement estimates were followed. The specific financial statement estimates (EUR 37.5 million for the period 2017-2020) were based on the EU contribution, whereas CHAFAEA’s administrative budget also included contributions from EEA/EFTA and non-EU countries (EUR 0.59 million during the period 2017-2020) to manage an additional operational budget.

Consequently, based on the EU contribution alone, the actual costs of the executive agency scenario amounted to EUR 41.9 million, and were EUR 4.4 million (11.8%) higher than the specific financial statement estimates.

This resulted from Title I ‘Staff-related expenditure’, as CHAFAEA’s average staff costs were underestimated in the 2013 cost-benefit analysis. The average staff costs and overheads for 2014 were updated in the specific financial statement using the figures from CHAFAEA’s draft budget, whereas for 2015-2020 the average cost estimations provided in the 2013 cost-benefit analysis were used.

The costs of the executive agency scenario were lower than the estimated costs of the in-house scenario. In 2017-2020, the actual cost savings deriving from a difference in cost between the executive agency scenario and the in-house scenario amounted to EUR 4.1 million (or 8.7% of the estimated costs under the in-house scenario).

The volume of the actual cost savings deriving from this difference in cost constituted between 32% and 36% of the estimated costs under the in-house scenario for all other agencies of the Commission, according to the cost-benefit analysis results.

Despite that the executive agency scenario remained more cost-effective than the in-house scenario in the case of CHAFAEA, the financial benefits of externalisation were more limited than those for other agencies.

Comparing the savings initially estimated in the specific financial statement and cost-benefit analysis with the actual savings from the delegation of tasks to CHAFAEA, it is

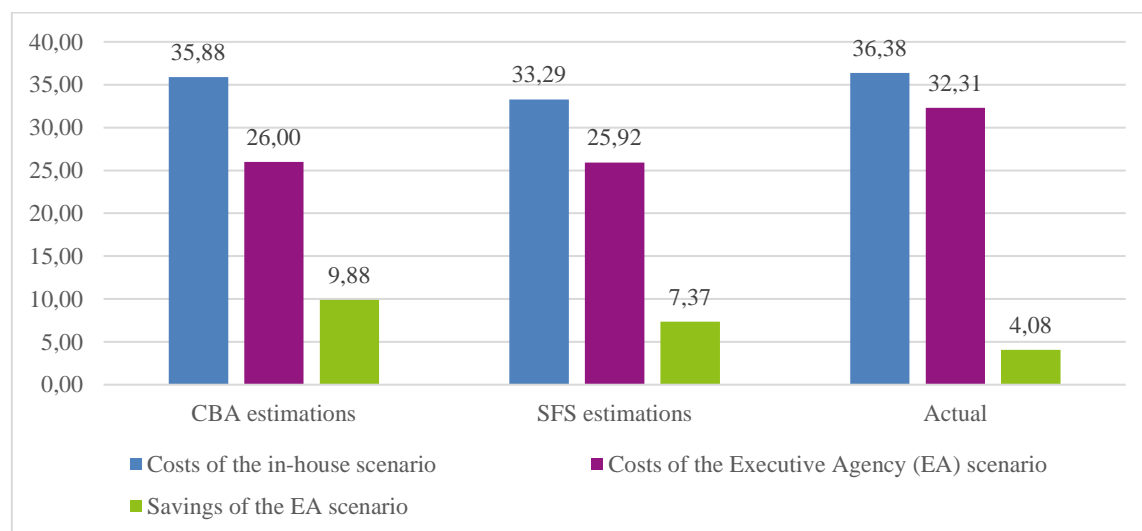
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<sup>56</sup> Including the cost of coordination and monitoring by the Commission and the costs covered from EEA/EFTA and non-EU country contributions.

found that the actual savings during the 2017-2020 period were 44.7% lower than the initial specific financial statement estimates (EUR 4.1 million, compared with EUR 7.3 million), and 58.7% lower than the initial cost-benefit analysis estimates (EUR 4.1 million, compared with EUR 9.9 million)

As forecast in the specific financial statement and the *ex ante* cost-benefit analysis, savings of the executive agency scenario resulted primarily from a higher share of lower-cost external personnel employed within the executive agency. However, actual savings were limited by the higher actual staff costs of CHAFEA's temporary staff and contract staff when compared with the Commission's estimated average staff costs.

*Figure 4: Estimated costs and savings of the executive agency scenario for CHAFEA in 2017-2020 (Title I and Title II expenditure), million EUR*



Source: Study supporting the triennial evaluation of the Agency.

The estimated savings in the cost-benefit analysis were complemented by efficiency and flexibility in the implementation of outsourced tasks as CHAFEA was efficient in producing the planned outputs and achieving good results in terms of key performance indicators related to the management of the delegated programmes.

The Agency managed to achieve the expected outputs and results despite the challenges it faced during the evaluation period (especially the COVID-19 pandemic and the transition process to the successor agencies).

The development of simplified and digitised application and grant management procedures lowered the administrative burden for all stakeholders while CHAFEA's proximity to the programme participants was reflected in the maintained contact with applicants, beneficiaries, and external experts throughout the evaluation period. Based on the evidence collected during the study supporting the evaluation, CHAFEA ensured the visibility of the EU as the promoter of the programmes entrusted to the Agency, contributing to a positive image of the EU.

## 5. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNED?

### 5.1. Conclusions

The Agency effectively met its mission and objectives within the existing regulatory and operational framework.

During the evaluation period 2017-2021, CHAFEA was responsible for implementing the following programmes: the consumer programme (CP); the public health programme (HP); the food safety training measures (BTSF); the promotion of agricultural products programme (AGRIP); as well as some legacy programmes.

CHAFEA was therefore responsible for managing a broad range of programmes within a diverse and fragmented portfolio. This situation limited possible improvements to the efficiency of programme management and made it difficult for the Agency to exploit synergies and complementarities between them. However, the Agency managed to adopt organisational and managerial changes (e.g. by adapting its organisational structure or developing a single manual of procedures) that increased the internal coherence of programme management within the Agency, and improved communication with its parent Directorates-General.

### *Effectiveness*

CHAFEA demonstrated flexibility and adaptability to key changes that occurred during the evaluation period 2017-2021. This included adapting its organisational structure following the Commission's reorganisation in 2016, responding to the COVID-19 pandemic (by changing the management of delegated programmes and its internal business processes) and Brexit, as well as implementing the transition to the Brussels-based agencies after the Commission's decision to wind up the Agency.

Through the implementation of a specific action plan, the transition to the successor agencies was implemented in a timely manner (before 31 March 2021, when new programmes were launched). Making the decision to wind up CHAFEA sooner would have provided more time for the better organisation of the transition process, including the transfer of the databases, information and know-how accumulated by CHAFEA.

CHAFEA effectively supported the achievement of the objectives and priorities set out in the strategic and management plans of its parent Directorates-General. A few innovative practices were introduced during the evaluation period to make the Agency more effective in achieving its objectives (e.g. the manual of procedures, the COMPASS tool for eGrants, the use of the PM<sup>2</sup> project management methodology, the development of guidelines for the implementation of promotional activities with Directorate-General for Agriculture and Rural Development, and the 'evaluation of evaluations').

The Agency mostly achieved the intended outputs by effectively meeting (with some occasional deviations) the key performance indicators outlined in its annual work programmes (AWPs), even if there was room for these key performance indicators to be adjusted to better reflect the differences in workload between different funding instruments (grants and procurement).

All key stakeholders (parent Directorates-General, beneficiaries, unsuccessful applicants, and external experts) were generally satisfied with the performance of CHAFEA. For instance, a total of 94% of the Agency's beneficiaries surveyed for the present evaluation were satisfied with its performance overall (compared with 74% of satisfied beneficiaries during the previous evaluation). Representatives from the parent Directorates-General emphasised the Agency's flexibility in the management of grants and procurement.

CHAFEA successfully employed its communication capacities to support the execution of its delegated programmes. The Agency met or even occasionally exceeded its communication objectives and targets during the evaluation period. The key groups of stakeholders (beneficiaries, unsuccessful applicants and external experts) considered CHAFEA-managed programmes as well promoted. They were aware that their project

was funded from the EU budget, and that the Commission had entrusted CHAFEA with programme management. Building on the findings of desk research and stakeholder consultations, the evaluation results enable to conclude that during the period 2017-2021, CHAFEA performed in an effective way at the level of both outputs and outcomes.

### *Efficiency*

CHAFEA implemented its AWP in an efficient way, according to the results of desk research, the cost-benefit analysis and stakeholder consultations. The Agency was efficient in producing the planned outputs (issuing calls, evaluating proposals and administering grants and tenders) and meeting its key performance indicators (time-to-inform, time-to-grant and time-to-pay, with minor deviations) regarding the implementation of the programmes delegated to it. For instance, along with two other agencies (REA and INEA), CHAFEA achieved the target of making 100% of payments within the legal deadline threshold in 2020. The Agency managed to achieve the expected outputs despite the challenges it faced during the evaluation period, in particular, the COVID-19 pandemic and the transition process to the successor agencies.

The efficiency of the Agency was however negatively affected by its small size, reducing possibilities to achieve economies of scale: the Agency managed to improve its operational efficiency, but remained one of the Commission's least operationally efficient agencies. The ratio of budget managed 'per head' increased from EUR 2.10 million in 2017 to EUR 2.33 million in 2020, while the average budget 'per head' for the Commission's agencies was EUR 6.25 million in 2020.

The ratio between CHAFEA's administrative and operational budget decreased from 8.96% in 2017 to 8.42% in 2020 but remained significantly higher than the average of the Commission's agencies (4.17% in 2020), and was among the highest of all executive agencies.

The Agency was successful in achieving an efficient workflow for budget implementation. It managed to improve the execution of the administrative budget in terms of both commitment appropriations (from 95% in 2017 to >99% in 2019 and 2020) and payment appropriations (from 74% in 2017 to 90% in 2020).

In 2018, CHAFEA set up an interinstitutional task force on simplification, composed of representatives from the Agency and its parent Directorates-General. Although the task force discussed new possibilities for further simplification and harmonisation of the financial mechanisms, the adoption of these simplifications was delayed until the next programming period because the decision to wind up the Agency made these changes less relevant.

The evaluation results show that the introduction of corporate IT tools, as well as simplified workflows in grant and procurement management, lowered the administrative burden for all stakeholders.

Due to its small size, CHAFEA relied on the common corporate tools, which led to a higher level of standardisation. In addition, during the evaluation period, the Agency introduced a variety of IT simplification measures (e.g. document management tool, intranet for internal and inter-departmental communication, integrated planning tool), adopted the PPMT corporate tool for e-procurement, and put its corporate manual of procedures into effect.

Further simplification of granting and reporting requirements, as well as increasing the user-friendliness of IT tools for submitting applications, were however indicated by surveyed stakeholders as possible areas for the further simplification.

The Agency implemented its programmes using sound financial and human resource (HR) management by operating in line with the Financial Regulation and consistently aligning its HR policy with those of the Commission. During the evaluation period, CHAFEA continuously improved its financial management through the implementation of a consolidated multiannual control strategy over transactions, the optimisation and streamlining of controls, the simplification of workflows, as well as the development and implementation of an anti-fraud strategy. Furthermore, the Agency efficiently implemented its 2016-2020 HR strategy, which was illustrated by a significant increase in staff satisfaction, engagement and well-being at the Agency, according to the results of the 2018 Staff survey (e.g. the overall staff engagement index reached 63%, compared to 55% as reported in the 2016 survey).

### *Coherence*

The delegation to CHAFEA of programme management tasks (whose execution usually involves a high workload) enabled the Commission to better focus on its primary policymaking tasks.

Due to the separation of policymaking and programme management, it was important for the Agency and its parent Directorates-General to maintain close contacts and exchange information through various means.

The legal framework and the memorandum of understanding set out clear provisions concerning the delimitation of responsibilities between CHAFEA and its parent Directorates-General. However, it was necessary to further determine specific business processes and to adjust the Agency's organisational structure with a view to clarifying the division of responsibilities and optimise collaboration between the Agency and its parent Directorates-General.

Overall, the management of procurement related to politically sensitive topics, required a close involvement from the Commission in the Agency's activities, thus increasing the workload for both the Commission and the Agency.

CHAFEA was involved in the preparation of work programmes by providing feedback, monitoring information and indicating its operational capacity to the parent Directorates-General. This input proved useful during the annual programming process conducted by the parent Directorates-General, enabling to exploit the Agency's knowledge regarding the application of specific funding instruments during implementation.

Monitoring, reporting and supervision arrangements put in place by the Commission and CHAFEA were effective and ensured the Agency's accountability. There was permanent two-way communication and a good flow of information between the Agency and its parent Directorates-General. For example, CHAFEA took steps to harmonise different reporting approaches and to make the transfer of information more regular by designing a standard quarterly report template in agreement with its parent Directorates-General.

There was still, however, room for the Agency to develop a more structured approach to feedback to policy based on the expectations of its parent Directorates-General.

Seconding (former) policy officers of parent Directorates-General to CHAFEA as temporary agents also facilitated the exchange of information and knowledge sharing between the Commission and the Agency.

### ***Cost-benefit analysis***

Overall, the evaluation of CHAFEA's operation during the period 2017-2021 suggests that the delegation of the programmes to the Agency was justified in terms of cost savings and value added to both programme management and policymaking in the Commission.

The results of the 2017-2020 retrospective cost-benefit analysis of CHAFEA showed that the actual costs of the executive agency scenario were higher than the specific financial statement estimates. The overall actual costs of the executive agency scenario<sup>57</sup> amounted to EUR 42.5 million during the period 2017-2020. Based on EU contribution alone (excluding the one of EFTA/EEA), the actual costs of the executive agency scenario amounted to EUR 41.9 million and were EUR 4.4 million (11.8%) higher than the specific financial statement estimates.

The costs of the executive agency scenario were lower than the estimated costs of the in-house scenario. In 2017-2020, the actual cost savings deriving from a difference in cost between the executive agency scenario and the in-house scenario amounted to EUR 4.1 million (or 8.7% of the estimated costs under the in-house scenario).

Due to the specificities of CHAFEA (small size, higher staff costs) the financial benefits of delegation of programme implementation were more limited than with other agencies, for which the volume of the actual cost savings amounted to between 32% and 36% of the estimated costs under the in-house scenario.

Comparing the savings initially estimated in the specific financial statement and cost-benefit analysis with the actual savings from the delegation of tasks to CHAFEA, the actual savings during the 2017-2020 period were found to be 44.7% lower than the initial specific financial statement estimates (EUR 4.1 million, compared with EUR 7.3 million) and 58.7% lower than the initial cost-benefit analysis estimates (EUR 4.1 million, compared with EUR 9.9 million).

The level of CHAFEA's workload was increased by the fact that, being a small agency, it had to manage a diverse programme portfolio, and there were limited complementarities and synergies among the programmes themselves, both in terms of specialised knowledge and forms of delivery. Moreover, the programmes managed by CHAFEA were implemented through a wide mix of instruments. Given that the Agency was much smaller than its counterparts, its cross-cutting support functions put heavier pressures, in relative terms, on the resources of the Agency, as compared with the situation in larger agencies.

With a view to developing more coherent agency portfolios and increasing the cost-efficiency of delegation of the budget implementation to executive agencies, the Commission decided to wind up CHAFEA.

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<sup>57</sup> Including the cost of coordination and monitoring by the Commission and the costs covered from EEA/EFTA and non-EU country contributions.

The activities of CHAFEA ceased and the transfer of its activities to other Agencies took effect as from 1 April 2021<sup>58</sup>.

## **5.2. Lessons learned**

1) In order to improve efficiency, a careful consideration is needed before outsourcing the administrative tasks linked to politically sensitive topics. The tasks delegated to the Agency should match both its mandate and the competencies of its staff. Clarity in the definition of roles and responsibilities is crucial.

The memorandum of understanding of successor executive agencies should be screened to this purpose, also clarifying the extent to which these should be involved in the drafting of tender specifications for procurement procedures.

2) The implementation of the high-level missions by the relevant executive agency (REA)<sup>59</sup> under the next multiannual financial framework should be closely monitored and one should establish a clear framework for the cooperation between the Commission and the executive agency.

3) As a good practice, when managing both grants and procurements, as well as executing other specific tasks, it may be relevant to differentiate the standard financial management indicators (e.g. time-to-inform, time-to-grant, time-to-pay, execution of budget appropriations) relating to grants and procurement, as well as developing agency-specific indicators (e.g. in relation to the provision of feedback to policy). This would make it possible to better measure the performance of agencies, and to improve the execution of the Commission's supervision and monitoring function.

4) To the extent possible, the successor agencies of CHAFEA (REA, EISMEA, HaDEA) should consider exploiting the possibilities for further simplification and harmonisation suggested by the interinstitutional task force on simplification, in particular harmonising the procedures for grant management, standardising the approach to procurements, and using simplified cost options. These measures could allow the harmonisation of rules and procedures across different programmes, reducing administrative burden on applicants or beneficiaries, and achieving further efficiency gains.

5) To streamline reporting of the different funding instruments and in line with the delegation instruments, a good practice for agencies is to report periodically to their steering committees on a set of indicators that measure implementation performance and contribute to the Commission's supervision and monitoring role. The feedback to policy methods should be further developed, and steps taken to provide timely information to the parent Directorates-General.

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<sup>59</sup> The successor agency of CHAFEA for implementation of the Programmes delegated by the Directorate-General for Agriculture and Rural Development, for the period 2021-2027.

## ANNEX I: PROCEDURAL INFORMATION

**Lead Parent Directorate-General:** Directorate-General for Health and Food Safety

**Parent Directorates-General:** Directorate-General for Agriculture and Rural Development, Directorate-General for Justice and Consumers, Directorate-General for Health and Food Safety, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs.

This evaluation of CHAFEA's operations had a following scope:

- The reference period of the evaluation ran from January 2017 to March 2021. This evaluation assessed the performance of CHAFEA, with the cut-off date of 31 March 2021.
- The scope of the evaluation covered programmes managed by CHAFEA between 2017 and 2021: the Public Health Programme 2014-2020 (HP), The Better Training for Safer Food initiative (BTSF), Consumer Programme 2014-2020 (CP) and the Promotion of Agriculture Products programme (AGRIP).
- The current generation of agencies established within the Multiannual Financial Framework (Multiannual Financial Framework) 2021-2027 is outside the scope of this evaluation. The evaluation team have, however, taken into account the main developments that have occurred since 1 April 2021 **only** with regard to formulating relevant conclusions and recommendations.

Knowledge from the present evaluation will inform internal decision-making in CHAFEA's successor executive agencies, namely the Health and Digital Executive Agency (HaDEA), the Research Executive Agency (REA), the European Innovation Council and SMEs Executive Agency (EISMEA) as well as their parent Directorates-General with regard to possible improvements to the implementation of legacy programmes and the next generation of programmes by the Commission.

Furthermore, the results of the present evaluation will be useful for accountability purposes. The final evaluation reports regarding the performance of the six agencies will allow the Commission to report the results of the retrospective Cost-Benefit Analysis to the budgetary authority, while informing various European Union institutions on the value of cost savings achieved as a result of the executive agency scenario compared with the costs of in-house management by the Commission, as well as identifying potential areas for improvement. The results of this evaluation will be communicated to the Steering Committees of the six current agencies, to the European Parliament, to the Council, and to the European Court of Auditors.

The evaluation of CHAFEA was part of the evaluation of all the six agencies, which was made in a coordinated manner based on a supporting study carried out by an external contractor (PPMI Consortium). The preparations for the evaluation started in 2022, when an Interservice group was set up by all lead parent Directorates-General and the concerned central services (Directorate-General for budget and the Secretariat-General). The group meetings (i.e. 6) were chaired by the Common Implementation Centre, set up within the Directorate-General for Research and Innovation, who also ensured the secretariat. The evaluation of each agency was led by the respective parent Directorate-General (PLAN/2022/1912). The Commission also launched a 'call for

evidence' on 10 March 2023 on its 'Have your say' portal. The call was open for feedback on agencies activities until 7 April 2023.

The methodology used for the evaluation was consistent across the agencies in accordance with the criteria provided in the Commission's Better Regulation guidelines. The assessment of the evaluation criteria 'EU added value', i.e. why the EU should act, was not considered relevant as each agency carries out tasks which the Commission transferred to it. The EU added value of the programmes that each agency manages is assessed in the context of the programme evaluations.

Evidence was taken from sources such as the Commission databases, annual reporting exercises, adopted decisions. The supporting study was prepared using a mixed-methods approach at the levels of methodologies and methods and worked on a qualitative methodological approach (based on documentary review and desk research, interviews, answers to open-ended survey questions and qualitative Cost-Benefit Analysis) combined with a quantitative methodological approach (based on administrative and monitoring data, surveys and quantitative Cost-Benefit Analysis), as detailed in Annex II.

## **ANNEX II. METHODOLOGY AND ANALYTICAL MODELS USED**

### **Short description of methodology**

The evaluation was supported by a study carried out by an external contractor. The study covered the evaluation of the six Executive Agencies (INEA, EACEA, EASME, ERCEA, CHAFEA and REA) in the period between 2017/2018 and March 2021 in a coordinated manner, based on the same methodology. The study was structured around a series of evaluation questions outlined in Annex.

#### General Approach applied to the six agencies

The evaluation followed an evidence-based and mixed-methods approach, using both qualitative and quantitative data to answer evaluation questions. A holistic organisational model based on the CAF 2013 was applied to understand the relationships between different factors in the executive agencies. An extensive consultation strategy involving surveys, interviews with stakeholders and call for evidence gathered information and perspectives on the agencies' performance. Triangulation of data sources strengthened the validity of the findings. The mixed-method approach was used based on the nature of evaluation questions and issues.

The mixed-method approach is defined as the coordinated use of more than one social science paradigm, methodology and/or method in order to improve the understanding of the phenomena under investigation. The mixed-method approach connected:

- a qualitative approach, based on documentary review and desk research, interviews, answers to open-ended survey questions, and a qualitative Cost-Benefit Analysis;
- a quantitative approach, based on administrative and monitoring data, surveys, and a quantitative Cost-Benefit Analysis.

These methodological approaches to mixing methods were used in a complementary manner, i.e. the results of the quantitative methods were used to enhance the understanding of the qualitative results and vice versa. These methods were applied in a differentiated manner, according to the nature of the evaluation questions and the issues outlined. While all the questions and issues were analysed both qualitatively and quantitatively, in answering some of the evaluation questions, greater focus was given to the qualitative methodological approach, while other questions were addressed primarily by relying on quantitative evidence.

Before drafting the final report, conclusions and recommendations were discussed with agencies and their lead parent Directorates-General. In addition to the overall methodology approach, there were agency specific strategies used given their specificities.

#### Organisational model of the evaluation of the agencies

The evaluation followed a holistic approach to organisational analysis, which identifies all important elements of an organisation's activities, and the general relationships between them. To properly organise a descriptive, explanatory and prescriptive study of

the agencies, it is necessary to identify the main sets of factors operating in each organisation's context of organisations, as well as the enablers (causes) and results of organisational performance, and to link them together into a single framework. To achieve this, an organisational model that was developed on the basis of the model used in the Common Assessment Framework (CAF), 2013<sup>60</sup>. Was applied.

The structure of the organisational model used in the external study comprises three sets of organisational factors: (1) *regulatory and operational framework*, (2) *enablers* and (3) *results*. All of these organisational factors are integrated into the evaluation questions and their operationalisation.

### Methods and data to inform the evaluation findings

#### *Documentary review and desk research*

The documentary review and desk research carried out for the evaluation included three types of information: documents relating to the legal basis for the establishment of CHAFEA; information connected with CHAFEA's relations with parent Directorates-General and the delegation of programmes; and data on CHAFEA's financial and non-financial performance, as well as its programme management, together with the contact data required for the implementation of the stakeholder consultation strategy. Taken together, these activities result in more than 90 files being provided to or directly accessed by the study team.

The synthesised results of the activities above were used to inform the report's findings and the answers to the evaluation questions provided. In addition, desk research was instrumental for the application of other research methods, including the conceptual and technical development of interview and survey questionnaires, as well as the implementation of Cost-Benefit Analysis activities (i.e. collecting and systematising the key data necessary for the quantitative and qualitative parts of the Cost-Benefit Analysis).

#### *Areas for in-depth study*

To shed light on the success stories and lessons learned as a result of key developments during the reference period, an in-depth analysis of CHAFEA's performance was prepared in two cases. Building on the results of the desk research, the following areas were selected for in-depth study:

- **Management of the transition from CHAFEA to successor agencies.** Even though the decision to terminate CHAFEA was not welcomed unanimously within the Commission and the Agency, the process of transition to its successor agencies was implemented in a timely manner and ensured business continuity. While one of the possible explanations behind this smooth transition process may relate to the transfer of highly experienced staff, it is also worth exploring the role of managerial practices applied during the transition process.
- **Organisation by thematic portfolios, associated with different funding instruments.** The diverse nature of the Agency's portfolio resulted in the different

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<sup>60</sup> The CAF Resource Centre of the European Institute of Public Administration, CAF 2013: Improving Public Organisations through Self-Assessment, p. 9.

units of CHAFEA being organised quite different ways. For instance, in some units, work was arranged according to different policy areas, which allowed for increased specialisation (especially in the area of public health). In other units, work was grouped together according to funding instruments. This divergent work organisation was subject to more in-depth exploration as to its benefits and drawbacks.

The analysis of in-depth study areas is based on structured and synthesised data derived from the stakeholder consultations, documentary review and desk research. A key added value of these study areas is that they pool together key findings on certain important areas of CHAFEA's performance. Analysis of these cases provided evidence of the benefit to the implementation of any future reorganisations and presents insights into possible synergies across the agencies.

#### *Interview programme*

An extensive interview programme carried out for the evaluation targeted two types of key CHAFEA stakeholders: (1) the Commission and former CHAFEA staff; and (2) CHAFEA's beneficiaries and service providers, as well as unsuccessful applicants and external experts. A total of 25 interviews were conducted with 27 interviewees, between August 2022 and March 2023.

The distribution of respondents reflected the diversity of the portfolio of programmes managed by CHAFEA, and the positions of all parent Directorates-General.

#### *Survey programme*

Two interlinked surveys were carried out, addressing the following target groups:

- **Survey A:** CHAFEA beneficiaries and unsuccessful applicants.

This survey addressed all beneficiaries of the HP, CP and AGRIP programmes, as well as unsuccessful applicants to calls launched under the 2017-2020 AWP of the HP and AGRIP programmes. Due to their small sample size, procurement beneficiaries under the BTSF were not involved in the survey. As a result, 54 responses to the survey were received from CHAFEA's beneficiaries, and 19 from unsuccessful applicants. This constituted a response rate of 21% for beneficiaries, and 12% for unsuccessful applicants, resulting in an overall response rate of 17% for Survey A.

- **Survey B:** external experts contracted by CHAFEA.

This survey targeted all external experts contracted by CHAFEA during the period 2017-2020. A total of 69 responses, corresponding to a response rate of 39%, was received.

- Due to the low response rate achieved in comparison to that in the previous evaluation of the Agency, partial responses were also used to inform the evaluation.

### *Cost-benefit analysis*

The study supporting the evaluation presented the results of a quantitative Cost-Benefit Analysis – in particular, the workload analysis and evaluation of key workload drivers, assumptions and productivity indicators (operational budget delegated to the Agency, number of proposals, number of projects and average grant size, etc.) – underpinning the workload analysis and staffing estimates in the 2013 Cost-Benefit Analysis and/or Specific financial statement (Specific Financial Statement), compared with the actual situation. It also provides conclusions regarding the cost-effectiveness of the executive agency scenario, and the actual savings due to externalisation. During the period 2017-2020, the actual cost savings deriving from a difference in cost between the executive agency scenario and the in-house scenario amounted to EUR 4.1 million. According to the results of the Cost-Benefit Analysis carried out for the evaluation, the actual cost savings achieved deriving from this cost difference were much lower for CHAFEA – both in absolute and relative terms – than for all other agencies of the Commission.

### **Limitations of the methodological approach and findings**

The evaluation of CHAFEA was carried out according to the Commission's Better Regulation Guidelines. It is based on reliable evidence covering the three evaluation criteria of *effectiveness*, *efficiency* and *coherence* in CHAFEA's operations during the evaluation period. The results and conclusions are limited to the evaluation evidence and findings regarding the business processes, management practices and performance of CHAFEA, without providing any assessment of the programmes delegated to the Agency. The implementation of these programmes and their results has been assessed in separate evaluations; the findings of these evaluations were used, to the extent relevant, in the external study team to the present evaluation. Overall, the evaluation of CHAFEA provides robust findings built on the triangulation of high-quality data collected through a documentary review, desk research, a Cost-Benefit Analysis, stakeholder consultation activities (the survey programme and interviews), and an analysis of the in-depth study areas identified in the previous section.

Indicators and assessment parameters (as well as sources of information and methods) were assigned to each evaluation criterion and question. In the context of the external study, the evaluation questions were operationalised through the collection and analysis of both quantitative and qualitative data, thus allowing data triangulation and providing the suitable mix of evidence to respond to the evaluation questions. In addition, the evaluation was continuously supported by HaDEA, which was able to provide complete and comparable data regarding CHAFEA's performance and management during the evaluation period. Lastly, various versions of the Report were reviewed by the Commission and its contractor during the different stages of development of the external study.

However, a number of challenges were encountered that imposed certain limitations on the results of the evaluation. First, response rates to the surveys were low, standing at 17% overall for beneficiaries and unsuccessful applicants (compared with 23-25% for the previous evaluation) and 39% for external experts (compared with 56% for the previous evaluation). The specific measures employed by the external contractor in disseminating these surveys had only a minor influence on response rates. Thus, the lower level of interest on the part of survey respondents could mostly be explained by survey fatigue among respondents, and by the closure of CHAFEA. Furthermore, the profile of survey respondents did not in all cases fully match the overall population (e.g. unsuccessful

applicants to CP were not involved in Survey A, due to a lack of information regarding their contact details in the datasets received).

To mitigate the limitations of the survey data, the external study relied strongly on data triangulation – i.e. where available, qualitative data were used to support the assessment of parameters that had initially been foreseen as being evaluated (only) quantitatively. For example, due to the limited number of procurement beneficiaries under the BTSF (fewer than 10 during the evaluation period), it was decided to involve them in the interview programme rather than invite them to participate in the survey. To the extent possible, analysis of the evaluation questions was also informed by a comparison with the results of the previous evaluation (covering the period 2014-2016). The approach of triangulation ensured the robustness and reliability of the data and information used to draw up the conclusions and recommendations of the evaluation.

In addition, due to the nature of the questions involved, the answers to certain evaluation questions relied largely on desk research and interview data. To mitigate this issue, the contractor for the external study developed an extensive programme of interviews involving the Commission and CHAFEA staff from various levels of management as well as experts, beneficiaries and unsuccessful applicants to various programmes managed by the Agency. Furthermore, the evaluation of CHAFEA's effectiveness, efficiency and coherence includes clear explanations of the degree to which the evaluation statements are based on opinion, facts or other type of evidence.

Some limitations also relate to the timing of the evaluation (after the closure of CHAFEA). Despite the assistance of HaDEA's representatives, there were some delays in the provision of data, and a very small number of cases in which data were inaccessible. Furthermore, the closure of CHAFEA caused a certain loss of institutional memory, which may have negatively affected the ability of some stakeholders to participate in the survey and interview programmes. Due to the termination of CHAFEA's activities, some of the prospective evaluation questions were not applicable to the evaluation of this Agency. As a result, depending on the question concerned, a focus was placed on adjusting the gathered evidence to the needs of CHAFEA's successor agencies and the overall landscape of the Commission's agencies.

### **ANNEX III. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)**

The detailed methodology applied for the evaluation is available in Section 3 and Annex 2 of the study supporting the evaluation<sup>61</sup>. The detailed answers to the evaluation questions are provided in Section 4 of the study supporting the evaluation<sup>62</sup>.

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<sup>61</sup> [https://health.ec.europa.eu/publications/study-supporting-evaluation-chafea-eacea-easme-ercea-inea-rea-2017-2021-final-report-chafea\\_en](https://health.ec.europa.eu/publications/study-supporting-evaluation-chafea-eacea-easme-ercea-inea-rea-2017-2021-final-report-chafea_en)

<sup>62</sup> [https://health.ec.europa.eu/publications/study-supporting-evaluation-chafea-eacea-easme-ercea-inea-rea-2017-2021-final-report-chafea\\_en](https://health.ec.europa.eu/publications/study-supporting-evaluation-chafea-eacea-easme-ercea-inea-rea-2017-2021-final-report-chafea_en)

#### **ANNEX IV. OVERVIEW OF BENEFITS AND COSTS**

The benefits and costs are detailed in the Cost Benefit Analysis in Section 4.2 and annex V.

## ANNEX V. COST-BENEFIT ANALYSIS OF CHAFEA

### Summary

	Quantitative	Qualitative
<b>Businesses</b>		High satisfaction from beneficiaries and other stakeholders
<b>Administrations</b>	Cost savings: Agency scenario vs in-house scenario CHAFEA = EUR 4.1 million	Reduction of the administrative burden through simplification/ High staff satisfaction and engagement

### 1. Background to the quantitative Cost-Benefit Analysis

A detailed Cost-Benefit Analysis of all the agencies (including CHAFEA) was conducted in 2013 for the 2014-2020 Multiannual Financial Framework. This Cost-Benefit Analysis compared the following four scenarios, based on varying levels of delegation and the distribution of programmes between different agencies:

- **An in-house scenario**, which assumed new programmes would be managed by the Commission, while the agencies would remain responsible for the delivery of legacy work (2007-2013 multiannual financial framework programmes);
- **An initial delegation scenario** defined by the Commission;
- **Two alternative delegation scenarios** with different options for delegation among the agencies.

A description of CHAFEA's programme portfolio for the 2014-2020 period under different scenarios is presented in the table below.

*Table 1. CHAFEA's 2014-2020 programme portfolio under different Cost-Benefit Analysis 2013 scenarios*

Initial scenario	Alternative scenario 1	Alternative scenario 2
Consumer programme 2014-2020	Consumer programme 2014-2020	Consumer programme 2014-2020
Public Health programme 2014-2020	Public Health programme 2014-2020	Public Health programme 2014-2020
Food safety training measures	Food safety training measures	Food safety training measures
Agriculture promotion measures	Agriculture promotion measures	Agriculture promotion measures
Parts of Horizon 2020 – Food security, sustainable agriculture, marine and maritime research and bio-economy	Parts of Horizon 2020 SME instrument	<b>Changes compared with the initial scenario</b>
Parts of Horizon 2020 SME instrument	<b>Changes compared with the initial scenario</b> Allocation to REA of parts of Horizon 2020 – Food security, sustainable agriculture, marine and maritime research and bio-economy	
		Allocation to REA of parts of Horizon 2020 – Food security, sustainable agriculture, marine and maritime research and bio-economy
		Centralised management of the entire Horizon 2020 SME instrument by EASME

*Source: Study supporting the triennial evaluation of the Agency on the basis of the Cost-Benefit Analysis.*

It was concluded that alternative scenario 2 was the most efficient in terms of cost savings and qualitative benefits. This estimated that to manage EUR 13 267 million (an increase of 127% compared with 2013), the six agencies would need 2 887 full-time equivalents in 2020 (an increase of 71%, i.e. an additional 1 200 full-time equivalents compared with 2013). This compares favourably with the 'in-house scenario', which would require 3 088 full-time equivalents to manage the same programmes. In general, the agencies would also benefit from economies of scale as they

became larger. However, it was also noted that due to its small size, CHAFEA would not be able to fully reap economies of scale in its operations, but that these would be more than offset by the efficiency gains realised by other agencies. To achieve further efficiency gains, the Commission also proposed a few adjustments stemming from an improved level of productivity and aimed at containing administrative costs through a 5% staff reduction (Table 2). The new mandate almost twice doubled the ratio of budget ‘per head’ in the case of CHAFEA – from EUR 1.36 in 2013 to 2.49 million in 2020.

*Table 2. Budget managed and human resources of CHAFEA, compared with all executive agencies between 2013 and 2020*

Executive Agency	Budget managed in 2013, million EUR	full-time equivalents in 2013	2013 budget per head, million EUR	Budget to be managed by Agency in 2020, million EUR	Envisioned full-time equivalents in 2020	Envisioned full-time equivalents in 2020 (adjusted)	Budget per head in 2020, million EUR	Budget per head in 2020, million EUR (adjusted)
CHAFEA	68	50	1.36	202	81	79	2.49	2.56
All agencies	5 846	1 687	3.47	13 267	2 887	2 630	4.60	5.46

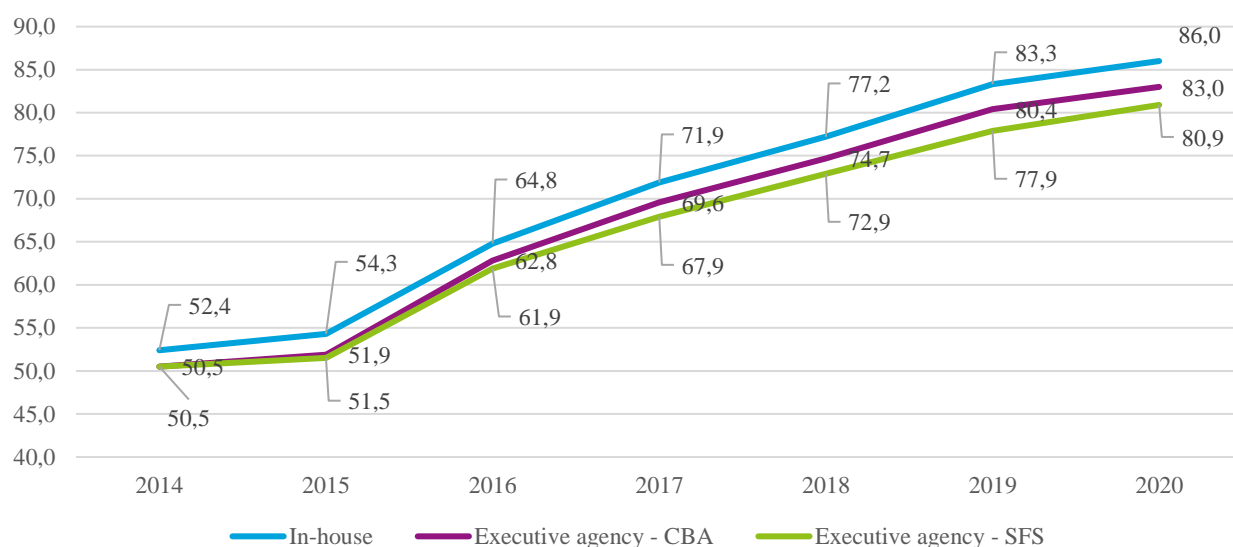
*Source: Study supporting the triennial evaluation of the Agency, based on Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (SEC(2013)493).*

These adjusted results of the Cost-Benefit Analysis were used in the Specific Financial Statement<sup>63</sup>. With regard to the forecasts of the administrative budget, the Specific Financial Statement differs from the Cost-Benefit Analysis in the following respects:

- The average staff costs and overheads for 2014 were updated using the figures from CHAFEA’s draft budget, whereas for 2015-2020 the average cost estimations provided in the 2013 Cost-Benefit Analysis were used. It must be noted that such an approach was inconsistent – there were no objective reasons indicating that in 2015 and subsequent years, CHAFEA’s average staff costs would fall by 18% for temporary agents and by more than 30% for contract agents, compared with 2014. Consequently, such an underestimation of CHAFEA’s average staff costs resulted in the actual budget of CHAFEA for 2015 and onwards being consistently higher than that estimated in the Specific Financial Statement.
- The costs in the Cost-Benefit Analysis were calculated at constant 2013 prices (i.e. neutralising the effect of inflation). However, in the Specific Financial Statement, these estimates were used as current prices without any further indexation. In real terms, this constituted another reduction in the administrative budget.

<sup>63</sup> Specific Financial Statement for the Commission Implementing Decision establishing the ‘Consumers, Health, Agriculture and Food Executive Agency’ and repealing Decision 2004/858/EC, final version, Dec 2014.

Figure 1. Number of staff estimated under different delegation scenarios



Source: Study supporting the triennial evaluation of the Agency, based on the Cost-Benefit Analysis and Specific Financial Statement. Note: includes staff at the Commission to ensure supervision of and coordination with CHAFEA.

The table below summarises the assumptions used in the Cost-Benefit Analysis and Specific Financial Statement for both scenarios (in-house and Agency).

Table 3. Assumptions used in ex ante Cost-Benefit Analysis and Specific Financial Statement

Assumptions Cost-Benefit Analysis	Assumptions Specific Financial Statement (Changes compared to Cost-Benefit Analysis assumptions)
<b>Staffing mix</b> European Commission: <ul style="list-style-type: none"> <li>Establishment plan posts / temporary agents (temporary agents) – 70%;</li> <li>External personnel / contract agents – 30%.</li> </ul> For externalisation scenario, all Commission staff for the supervision and coordination with CHAFEA are temporary agents. CHAFEA: <ul style="list-style-type: none"> <li>Establishment plan posts – 25%;</li> <li>External personnel – 75%.</li> </ul> <b>Number of staff</b> See Figure 1 <b>Average cost assumptions (per employee)</b> European Commission: <ul style="list-style-type: none"> <li>Establishment plan posts – EUR 108 000;</li> <li>External personnel (contract agents) – EUR 47 000;</li> <li>External personnel / seconded national experts (SNEs) –EUR 55 000;</li> <li>Overheads – EUR 23 000.</li> </ul> CHAFEA	Average cost assumptions for CHAFEA were modified for 2014: temporary agents – EUR 129 650; contract agents – EUR 71 700; Overheads EUR 19 150. For 2015-2020, the average cost assumptions were not modified. Minor changes related to the number of staff (for detailed information, please see Figure 1). Cost estimations for Title III expenditure (programme support expenditure) were

Assumptions Cost-Benefit Analysis	Assumptions Specific Financial Statement  (Changes compared to Cost-Benefit Analysis assumptions)
<ul style="list-style-type: none"> <li>▪ Establishment plan posts – EUR 106 294;</li> <li>▪ External personnel – EUR 49 672;</li> <li>▪ Overheads – EUR 20 344.</li> </ul> <p>Average cost assumptions are based on Directorate-General for budget estimations. Costs relating to programme support<sup>64</sup> (Title III expenditure) have not been included in the calculations, as these are likely to be the same across all scenarios. As such, these do not affect the cost difference between the different scenarios.</p>	added.

*Source: Study supporting the triennial evaluation of the Agency, based on the Cost-Benefit Analysis and Specific Financial Statement.*

## 2. Actual staffing and costs of CHAFEA

During the 2017-2020 period of operations, the administrative budget actually implemented by CHAFEA<sup>65</sup> amounted to EUR 41.4 million and was higher than the Specific Financial Statement estimates (see table below). This primarily related to the underestimation of CHAFEA's staff costs. The average staff costs were adjusted for 2014 taking into account CHAFEA's draft budget 2014, but for 2015 and further years the Cost-Benefit Analysis estimates were used without any further adjustments. The Cost-Benefit Analysis and Specific Financial Statement estimations were based on the EU contribution alone, whereas CHAFEA's administrative budget also included contributions from EEA/EFTA and third countries (EUR 0.59 million during the period 2017-2020) to manage an additional operational budget. However, contributions from EEA/EFTA and third countries constitute around 1.4% of CHAFEA's total administrative budget, and do not change the overall results of the analysis.

The costs in the 2013 Cost-Benefit Analysis were calculated at constant 2013 prices (i.e. neutralising the effect of inflation), but in the Specific Financial Statement these estimations were used as current prices without any further adjustment for inflation. To analyse this, the table below also presents a comparison of the Specific Financial Statement-estimated and CHAFEA's actual budget, in which the Specific Financial Statement estimations were adjusted to reflect current prices. The current prices were established using a fixed 2% annual deflator starting from 2014<sup>66</sup>.

<sup>64</sup> Such costs include experts, studies, representation and external meeting expenses; missions and related costs; audit expenses; expenses relating to information, publications and communication; translation expenses; operations-related IT costs.

<sup>65</sup> Based on executed commitment appropriations.

<sup>66</sup> A 2% annual deflator is provided for in Article 6(2) of the MFF Regulation.

Table 4. CHAFEA administrative budget 2018-2020, million EUR

Administrative budget		2017	2018	2019	2020	Total 2017-2020
Title I. Staff Related Expenditure	Specific Financial Statement	4.368	4.596	4.907	5.057	<b>18.928</b>
	<i>Actual</i>	<i>5.352</i>	<i>6.118</i>	<i>6.832</i>	<i>7.204</i>	<b>25.506</b>
Title II. Infrastructure and Operating Expenditure	Specific Financial Statement	1.383	1.465	1.546	1.607	<b>6.001</b>
	<i>Actual</i>	<i>1.366</i>	<i>1.364</i>	<i>1.422</i>	<i>1.550</i>	<b>5.702</b>
Title III. Programme Support Expenditure	Specific Financial Statement	2.730	2.867	2.971	3.046	<b>11.614</b>
	<i>Actual</i>	<i>2.550</i>	<i>2.758</i>	<i>2.947</i>	<i>1.975</i>	<b>10.230</b>
<b>Total</b>	<b>Specific Financial Statement</b>	<b>8.481</b>	<b>8.928</b>	<b>9.424</b>	<b>9.710</b>	<b>36.543</b>
	<i>Actual</i>	<i>9.269</i>	<i>10.240</i>	<i>11.201</i>	<i>10.729</i>	<b>41.438</b>
	<i>EEA/EFTA contribution and participation of candidate countries and/or third countries</i>	<i>0.144</i>	<i>0.143</i>	<i>0.150</i>	<i>0.154</i>	<b>0.591</b>
	<i>Actual (EU contribution)</i>	<i>9.125</i>	<i>10.096</i>	<i>11.051</i>	<i>10.575</i>	<b>40.847</b>
Savings (Specific Financial Statement-Actual)		<b>-0.788</b>	<b>-1.312</b>	<b>-1.777</b>	<b>-1.019</b>	<b>-4.895</b>
Savings (Specific Financial Statement-Actual EU contribution)		<b>-0.644</b>	<b>-1.168</b>	<b>-1.627</b>	<b>-0.865</b>	<b>-4.304</b>
Specific Financial Statement adjusted for current prices using 2% annual deflator		<b>9.180</b>	<b>9.857</b>	<b>10.613</b>	<b>11.154</b>	<b>40.804</b>
Savings (Specific Financial Statement adjusted for current prices-Actual)		<b>-0.089</b>	<b>-0.382</b>	<b>-0.588</b>	<b>0.425</b>	<b>-0.634</b>
Savings (Specific Financial Statement adjusted for current prices-Actual EU contributions)		<b>0.055</b>	<b>-0.239</b>	<b>-0.438</b>	<b>0.579</b>	<b>-0.043</b>

Source: Study supporting the triennial evaluation of the Agency, based on Specific Financial Statement, final annual accounts and the draft general budget of the EU.

**Staff-related expenditure** (Title I) was substantially higher than the initial estimates. This related to the underestimated average staff costs in the Cost-Benefit Analysis and in the Specific Financial Statement for 2015 and subsequent years. Such deviation reflected unsustainable initial Cost-Benefit Analysis/Specific Financial Statement assumptions: 1) as noted before, the average costs were not adjusted for inflation, and 2) the average staff costs for CHAFEA were based on the weighted average staff costs of all agencies, disregarding the fact that the actual staff costs for CHAFEA were higher. The higher level of salaries at CHAFEA compared with other agencies was related to several parameters:

- Its location in Luxembourg – most staff members at the Agency were expatriates, and were entitled to corresponding benefits;
- CHAFEA was a small agency that managed four unrelated programmes. To manage actions with high policy relevance within these programmes, it was important to have qualified administrators at the FGIV level. Furthermore, due to the small size of each unit and the necessity to ensure business continuity in each programme, the proportion of FGIV agents in CHAFEA was higher than in many other agencies. This had an impact on CHAFEA's average staff cost for contract agents. Due to higher living costs, the Agency had to offer higher-grade positions to attract suitable candidates with the right profile to manage these policy-relevant actions. It was known that the FGI salary was lower than the minimum legal salary in Luxembourg and the FGII salary was only slightly higher, making recruitment within these contract agents categories somewhat difficult in Luxembourg;
- Due to CHAFEA's small size, the impact of higher-salaried staff (middle and top management) on the average salary was higher than for other agencies.

The issue of higher staff costs was highlighted during the previous evaluation of CHAFEA and the corresponding retrospective Cost-Benefit Analysis. During the 2017-2020 period, the actual average staff costs for CHAFEA were higher than the average costs across the Commission, both for temporary agents and contract agents (Table 6).

The actual number of the CHAFEA staff<sup>67</sup> financed from the EU contribution was within the Specific Financial Statement-estimated range in 2017-2020 (as indicated in Table 5 below). The composition of staff (the ratio between temporary agents and contract agents) corresponded to the Specific Financial Statement estimates.

*Table 5. Actual and estimated number of the CHAFEA staff*

	2017	2018	2019	2020
<b>Planned No of the CHAFEA staff according to the Specific Financial Statement</b>				
temporary agents	17	18	20	20
contract agents	49	53	56	59
<b>Total</b>	<b>66</b>	<b>71</b>	<b>76</b>	<b>79</b>
<b>Authorised posts during the budgetary procedure</b>				
temporary agents	17	18	20	20

<sup>67</sup> Actual number of staff at the end of the year.

contract agents	48 <sup>68</sup>	53	56	59
<b>Total</b>	<b>65</b>	<b>71</b>	<b>76</b>	<b>79</b>
<b>Actual (occupied at the end of the year)</b>				
temporary agents	13	16	19	19
contract agents	48	50	56	58
<b>Total</b>	<b>61</b>	<b>66</b>	<b>75</b>	<b>77</b>

Source: Study supporting the triennial evaluation of the Agency, based on the Specific Financial Statement, final annual accounts and the draft general budget of the EU.

**Infrastructure and operating expenditure** (overheads, Title II) was lower than was estimated in the Specific Financial Statement (~95% of the Specific Financial Statement estimates in 2017-2020). The actual average overheads of CHAFEA were also lower than the average costs for the Commission (Table 6). Similarly, the actual **programme support expenditure** (Title III) remained below the Specific Financial Statement estimates.

Table 6. Estimated and actual average staff costs and overheads, EUR

	2017	2018	2019	2020
<b>Average costs set by Directorate-General for budget for estimates of human resources and overheads in legislative financial statements</b>				
Average staff cost: temporary agents	115 000	119 000	123 000	125 000
Average staff cost: contract agents	47 000	50 000	52 000	55 000
Overheads	23 000	24 000	25 000	25 000
<b>Actual average costs<sup>69</sup> of CHAFEA</b>				
Average staff cost: temporary agents	143 826	140 256	138 472	144 928
Average staff cost: contract agents	65 221	70 754	68 447	70 058
Overheads	22 397	20 662	18 960	20 130

Source: Study supporting the triennial evaluation of the Agency.

### 3. Cost-effectiveness of the executive agency scenario and actual savings due to externalisation

To assess whether the conclusions of the *ex ante* assessment (the estimates of savings provided in the Cost-Benefit Analysis and Specific Financial Statement) are still valid when compared with the actual situation, and what the overall possible savings are, the following approach was adopted:

- We drew upon data on the actual performance of CHAFEA (actual execution of the administrative budget, actual staffing, etc.) for the executive agency scenario;
- To ensure comparability and validity of results, we followed the assumptions laid down in the Cost-Benefit Analysis and Specific Financial Statement, and provided estimates of the comparable ‘actual’ in-house (Commission) scenario (the comparator) that would best reflect the actual situation;
- Based on these estimates, we assessed whether the conclusions of the Cost-Benefit Analysis and Specific Financial Statement *ex ante* assessments are still valid when compared with the actual situation, and what the overall possible savings are.

<sup>68</sup> According to the 2017 draft general budget of the EU, in order to contribute financially to the Common Support Services provided by REA, one contract agent position must not be filled by CHAFEA in 2017, but only from 2018.

<sup>69</sup> Average staff costs include professional development and social expenditure.

To deconstruct the ‘actual’ in-house (Commission) scenario (the comparator), estimates were based on the following Cost-Benefit Analysis/Specific Financial Statement assumptions:

- The number and composition of staff at the Commission and CHAFEA under the in-house scenario corresponds to the Specific Financial Statement estimations.
- Commission staff costs and overheads correspond to the average costs set by Directorate-General for budget for the estimates of HR and overheads in legislative financial statements for the respective year (Table 6).
- CHAFEA’s average staff costs and overheads under the in-house scenario (for legacy) correspond to the actual average CHAFEA’s staff costs and overheads in the respective year.
- Programme support expenditure (Title III) remains the same under both the in-house scenario and the executive agency scenario.

The table below presents the results of the analysis of the estimated actual costs of the in-house (Commission) scenario and the actual costs of the executive agency scenario.

Table 7. Estimated actual costs of the in-house (Commission) scenario and the actual costs of the executive agency scenario, EUR

	2017		2018		2019		2020		Total 2017-2020
	No.	Cost	No.	Cost	No.	Cost	No.	Cost	
<i>In-house scenario</i>									
<i>Commission</i>									
<b>Title I. Staff related expenditure</b>	<b>63.9</b>	<b>6 042,900</b>	<b>70.5</b>	<b>6 933,600</b>	<b>76.7</b>	<b>7 801,100</b>	<b>79.3</b>	<b>8 239,500</b>	<b>29 017,100</b>
<i>Establishment Plan Posts</i>	<i>44.7</i>	<i>5,140,500</i>	<i>49.4</i>	<i>5,878,600</i>	<i>53.7</i>	<i>6,605,100</i>	<i>55.4</i>	<i>6,925,000</i>	<b>24 549,200</b>
<i>Contract Agents</i>	<i>19.2</i>	<i>902,400</i>	<i>21.1</i>	<i>1,055,000</i>	<i>23.0</i>	<i>1,196,000</i>	<i>23.9</i>	<i>1,314,500</i>	<b>4 467,900</b>
<b>Title II. Infrastructure and operating expenditure</b>		<b>1 469,700</b>		<b>1 692,000</b>		<b>1 917,500</b>		<b>1 982,500</b>	<b>7 061,700</b>
<b>Total Commission cost:</b>		<b>7 512,600</b>		<b>8 625,600</b>		<b>9 718,600</b>		<b>10 222,000</b>	<b>36 078,800</b>
<i>CHAFEA</i>									<b>0</b>
<b>Title I. Staff related expenditure</b>	<b>2</b>	<b>169 744</b>	<b>1</b>	<b>70 754</b>					<b>240 498</b>
<i>Establishment Plan Posts</i>	<i>0.5</i>	<i>71,913</i>							<b>71 913</b>
<i>Contract Agents</i>	<i>1.5</i>	<i>97,831</i>	<i>1</i>	<i>70,754</i>					<b>168 585</b>
<b>Title II. Infrastructure and operating expenditure</b>		<b>44 794</b>		<b>20 662</b>					<b>65 457</b>
<b>Total CHAFEA cost:</b>		<b>214 538</b>		<b>91 416</b>		<b>0</b>		<b>0</b>	<b>305 954</b>
<b>TOTAL Titles I and II</b>		<b>7 727,138</b>		<b>8 717,016</b>		<b>9 718,600</b>		<b>10 222,000</b>	<b>36 384,754</b>
<b>Title III. Programme support expenditure</b>		<b>2 550,339</b>		<b>2 758,096</b>		<b>2 947,000</b>		<b>1 975,000</b>	<b>10 230 435</b>
<b>TOTAL COST</b>	<b>65.9</b>	<b>10 277,477</b>	<b>71.5</b>	<b>11 475,112</b>	<b>76.7</b>	<b>12 665,600</b>	<b>79.3</b>	<b>12 197,000</b>	<b>46 615,189</b>
<i>Executive agency scenario</i>									
<i>CHAFEA</i>									

	2017		2018		2019		2020		Total 2017-2020
	No.	Cost	No.	Cost	No.	Cost	No.	Cost	
<b>Title I. Staff related expenditure</b>	<b>61</b>	<b>5 352,207</b>	<b>66</b>	<b>6 117,793</b>	<b>75</b>	<b>6 832,000</b>	<b>77</b>	<b>7 205,000</b>	<b>25 507,000</b>
<i>Establishment plan posts</i>	<i>13</i>	<i>1,808,256</i>	<i>16</i>	<i>2,140,455</i>	<i>19</i>	<i>2,538,000</i>	<i>19</i>	<i>2,669,000</i>	<b>9 155,711</b>
<i>Contract agents</i>	<i>48</i>	<i>2,903,588</i>	<i>50</i>	<i>3,213,838</i>	<i>56</i>	<i>3,559,000</i>	<i>58</i>	<i>3,805,000</i>	<b>13 481,426</b>
<i>Seconded national experts</i>									<b>0</b>
<i>Interim supportive agents and trainees</i>		<i>351,883</i>		<i>336,000</i>		<i>368,000</i>		<i>388,000</i>	<b>1 443,883</b>
<i>Professional development and recruitment costs</i>		<i>288,480</i>		<i>427,500</i>		<i>367,000</i>		<i>343,000</i>	<b>1 425,980</b>
<b>Title II. Infrastructure and operating expenditure</b>		<b>1 366,223</b>		<b>1 363,715</b>		<b>1 422,000</b>		<b>1 550,000</b>	<b>5 701,938</b>
<b>Title III. Programme support expenditure</b>		<b>2 550,339</b>		<b>2 758,096</b>		<b>2 947,000</b>		<b>1 975,000</b>	<b>10 230,435</b>
<b>Total CHAFEA cost:</b>		<b>9 268,769</b>		<b>10 239,604</b>		<b>11 201,000</b>		<b>10 730,000</b>	<b>41 439,373</b>
<i>Commission</i>									<b>0</b>
<b>Title I. Staff-related expenditure</b>	<b>1.9</b>	<b>218 500</b>	<b>1.9</b>	<b>226 100</b>	<b>1.9</b>	<b>233 700</b>	<b>1.9</b>	<b>237 500</b>	<b>915 800</b>
<i>Establishment plan posts</i>	<i>1.9</i>	<i>218,500</i>	<i>1.9</i>	<i>226,100</i>	<i>1.9</i>	<i>233,700</i>	<i>1.9</i>	<i>237,500</i>	<b>915 800</b>
<i>Contract agents</i>		<i>0</i>		<i>0</i>		<i>0</i>		<i>0</i>	<b>0</b>
<b>Title II. Infrastructure and operating expenditure</b>		<b>43 700</b>		<b>45 600</b>		<b>47 500</b>		<b>47 500</b>	<b>184 300</b>
<b>Total Commission cost:</b>		<b>262 200</b>		<b>271 700</b>		<b>281 200</b>		<b>285 000</b>	<b>1 100,100</b>
<b>TOTAL COST</b>	<b>62.9</b>	<b>9 530,969</b>	<b>67.9</b>	<b>10 511,304</b>	<b>76.9</b>	<b>11 482,200</b>	<b>78.9</b>	<b>11 015,000</b>	<b>42 539,473</b>
<b>ESTIMATED SAVINGS</b>	<b>3.0</b>	<b>746 508</b>	<b>3.6</b>	<b>963 808</b>	<b>-0.2</b>	<b>1 183,400</b>	<b>0.4</b>	<b>1 182,000</b>	<b>4 075,716</b>

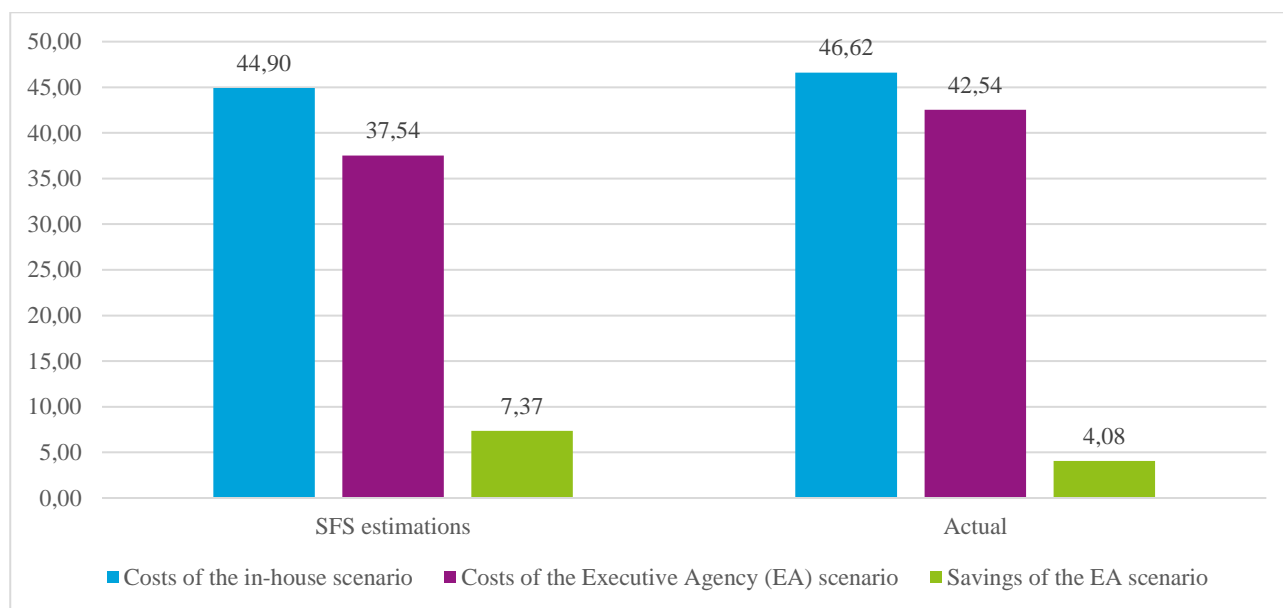
The analysis shows that:

- The overall actual costs of the executive agency scenario<sup>70</sup> amounted to EUR 42.5 million during the period 2017-2020. To evaluate the extent to which the actual costs corresponded to the initial Specific Financial Statement estimates, it is important to follow the same assumptions that produced such Specific Financial Statement estimates. The Specific Financial Statement estimates (EUR 37.5 million for the period 2017-2020) were based on the EU contribution, whereas CHAFEA's administrative budget also included contributions from EEA/EFTA and third countries (EUR 0.59 million during the period 2017-2020) to manage an additional operational budget. Consequently, based on the EU contribution alone, the actual costs of the executive agency scenario amounted to EUR 41.9 million, and were EUR 4.4 million (11.8%) higher than the Specific Financial Statement estimates. This resulted from Title I 'Staff-related expenditure', as CHAFEA's average staff costs were underestimated in the 2013 Cost-Benefit Analysis. The average staff costs and overheads for 2014 were updated in the Specific Financial Statement using the figures from CHAFEA's draft budget, whereas for 2015-2020 the average cost estimations provided in the 2013 Cost-Benefit Analysis were used (although there were no objective reasons indicating that in 2015 and subsequent years, CHAFEA's average staff costs would decrease by 18% for temporary agents and by more than 30% for contract agents compared with 2014);
- The costs of the executive agency scenario were lower than the estimated costs of the in-house scenario. In 2017-2020, the actual cost savings deriving from a difference in cost between the executive agency scenario and the in-house scenario amounted to EUR 4.1 million (or 8.7% of the estimated costs under the in-house scenario). The volume of the actual cost savings deriving from this difference in cost constituted between 32% and 36% of the estimated costs under the in-house scenario for all other agencies of the Commission, according to our Cost-Benefit Analysis results. Our analysis indicates that, despite the fact that the executive agency scenario remained more cost-effective than the in-house scenario in the case of CHAFEA, due to the specificities of this Agency, the financial benefits of externalisation were more limited than those for other agencies;
- Comparing the savings initially estimated in the Specific Financial Statement and Cost-Benefit Analysis with the actual savings from the delegation of tasks to CHAFEA, we found that the actual savings during the 2017-2020 period were 44.7% lower than the initial Specific Financial Statement estimates (EUR 4.1 million, compared with EUR 7.3 million), and 58.7% lower than the initial Cost-Benefit Analysis estimates (EUR 4.1 million, compared with EUR 9.9 million) (Figure 2 and Figure 3). As forecast in the Specific Financial Statement and the *ex ante* Cost-Benefit Analysis, savings of the executive agency scenario resulted primarily from a higher share of lower-cost external personnel employed within the executive agency. However, actual savings were limited by the higher actual staff costs of CHAFEA's temporary agents and contract agents when compared with the Commission's estimated average staff costs.

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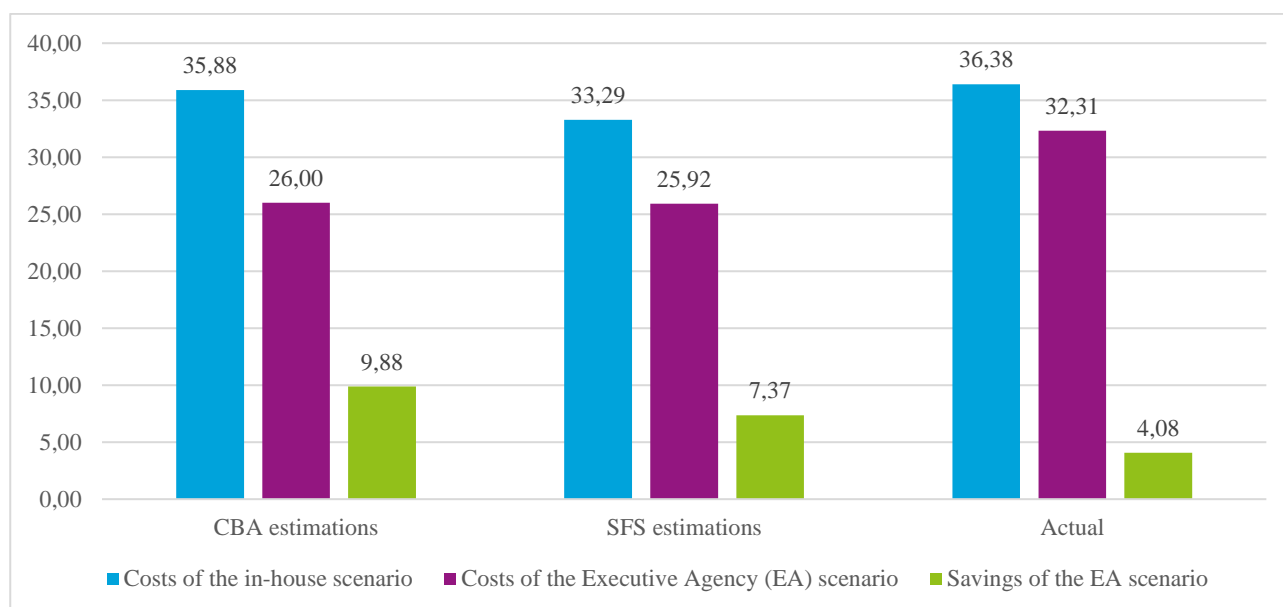
<sup>70</sup> Including the cost of coordination and monitoring by the Commission and the costs covered from EEA/EFTA and third-country contributions.

Figure 2. Estimated costs and savings of the executive agency scenario for CHAFEA in 2017-2020, million EUR



Source: Study supporting the triennial evaluation of the Agency.

Figure 3. Estimated costs and savings of the executive agency scenario for CHAFEA in 2017-2020 (Title I and Title II expenditure), million EUR



Source: Study supporting the triennial evaluation of the Agency.

#### 4. Workload analysis

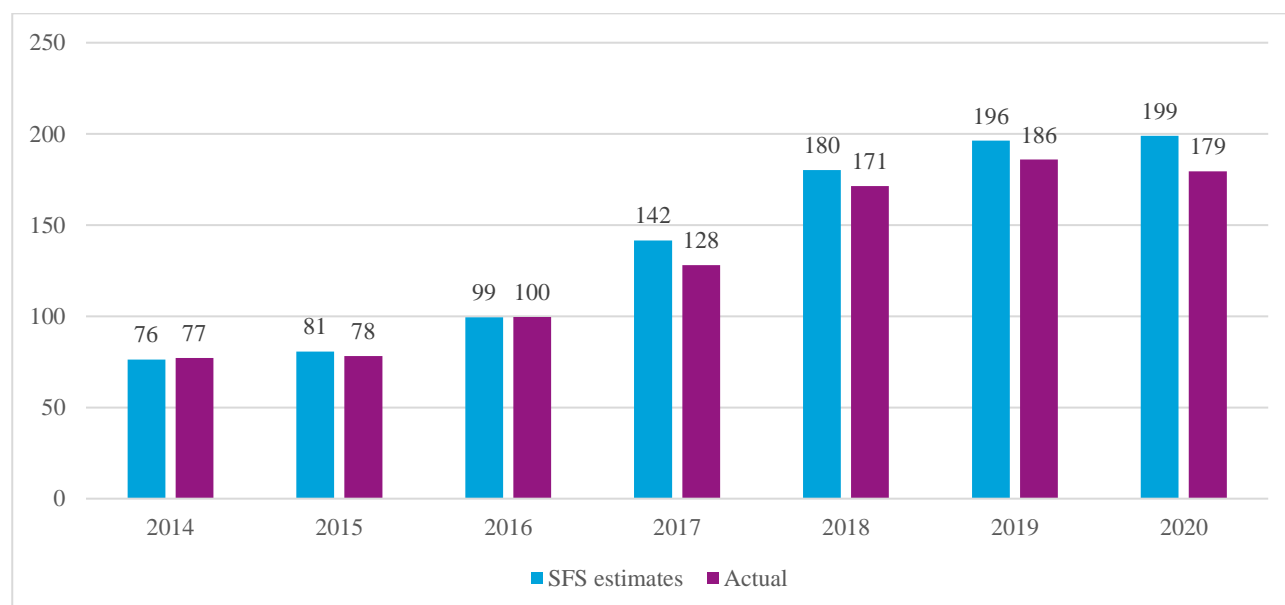
The programme portfolio managed by CHAFEA during the evaluation period corresponded to the portfolio envisaged for delegation to the Agency in the *ex ante* Cost-Benefit Analysis and Specific Financial Statement.

According to the Specific Financial Statement estimates, CHAFEA's operational budget<sup>71</sup> allocated for 2014-2020 amounted to EUR 973.5 million. The actual operational budget in executed

<sup>71</sup> In commitment appropriations.

commitment appropriations for the same period was EUR 919.7 million, 5.5% lower than the Specific Financial Statement estimates (Figure 4 and Table 8). The actual operational budget during 2014-2016 was very close to the initial Specific Financial Statement estimates; however, during the period 2017-2020 it was 5-10% lower.

*Figure 4. Specific Financial Statement-estimated and actual CHAFEA operational budget 2014-2020<sup>72</sup>, million EUR*



Source: Study supporting the triennial evaluation of the Agency, based on the Specific Financial Statement and CHAFEA AARs, 2014-2020.

CHAFEA's actual operational budget during the period 2014-2020 corresponded to the Specific Financial Statement estimates for the HP and AGRIP; however, it was lower for the CP (86% of the Specific Financial Statement estimate) and BTSF (77% of the Specific Financial Statement estimate) (Table 8).

*Table 8. Specific Financial Statement-estimated and actual CHAFEA operational budget 2014-2020 (commitment appropriations) by programme, million EUR*

Programme	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
<b>Specific Financial Statement</b>								
Consumer programme	17.010	17.493	18.482	19.306	20.140	21.171	21.833	<b>135.435</b>
Health programme	42.296	43.233	45.161	47.056	48.548	50.079	51.172	<b>327.545</b>
Better Training for Safer Food	17.000	20.000	21.000	22.000	23.000	24.000	25.000	<b>152.000</b>
Promotion of Agricultural Products programme			14.812	53.187	88.566	101.077	100.863	<b>358.505</b>
<b>Total</b>	<b>76.306</b>	<b>80.726</b>	<b>99.455</b>	<b>141.549</b>	<b>180.254</b>	<b>196.327</b>	<b>198.868</b>	<b>973.485</b>
<b>Actual</b>								

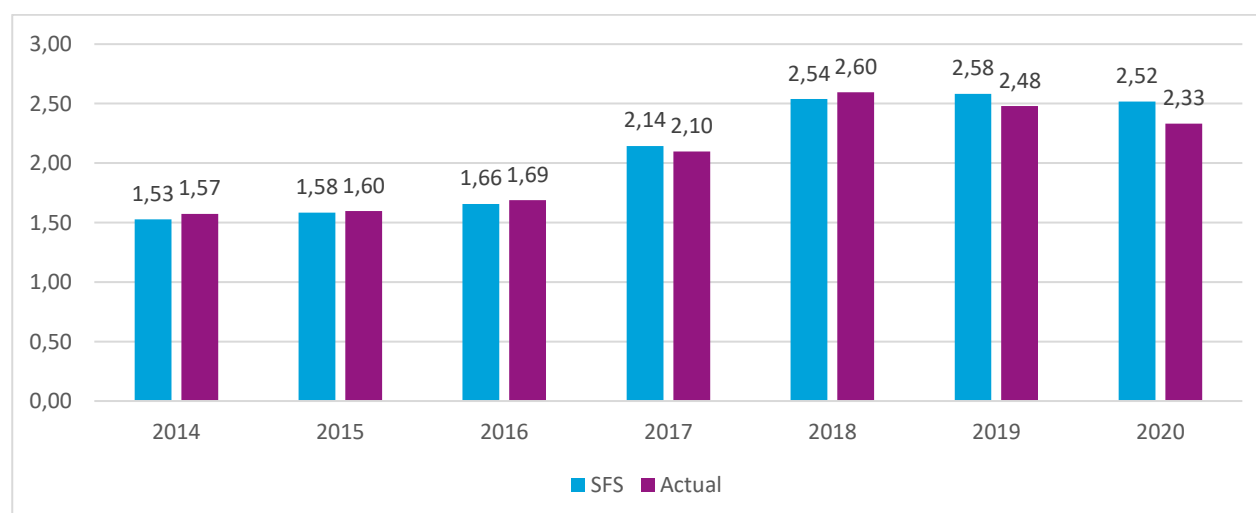
<sup>72</sup> In commitment appropriations, all fund sources.

Consumer programme	16.56	15.06	16.12	12.34	18.70	19.21	19.06	<b>117.049</b>
Health programme	45.15	48.46	49.71	46.76	46.59	47.59	40.53	<b>324.795</b>
Better Training for Safer Food	15.39	14.69	15.37	16.37	17.50	18.00	19.00	<b>116.315</b>
Promotion of Agricultural Products programme			18.48	52.50	88.60	101.10	100.90	<b>361.580</b>
<b>Total</b>	<b>77.100</b>	<b>78.210</b>	<b>99.680</b>	<b>127.968</b>	<b>171.390</b>	<b>185.900</b>	<b>179.490</b>	<b>919.738</b>
<b>Actual/Specific Financial Statement estimates</b>	<b>101.0%</b>	<b>96.9%</b>	<b>100.2%</b>	<b>90.4%</b>	<b>95.1%</b>	<b>94.7%</b>	<b>90.3%</b>	<b>94.5%</b>

Source: Study supporting the triennial evaluation of the Agency, based on CHAFEA Specific Financial Statement and AARs.

The actual ‘budget per head’ ratio in CHAFEA during 2014-2016 and 2018 was in line with the initial Specific Financial Statement estimates (see the figure below), but a lower ratio was observed in 2017, 2019 and 2020, which related to a lower than initially estimated operational budget. The ‘budget per head’ ratio grew significantly during 2017-2018, which was related to the growing operational budget of the Agency due to of the inflow of funds from the AGRIP.

Figure 5. Specific Financial Statement estimated and actual CHAFEA ‘budget per head’ 2014-2020<sup>73</sup>, million EUR



Source: prepared by the study team, based on Specific Financial Statement and CHAFEA AARs, 2014-2020.

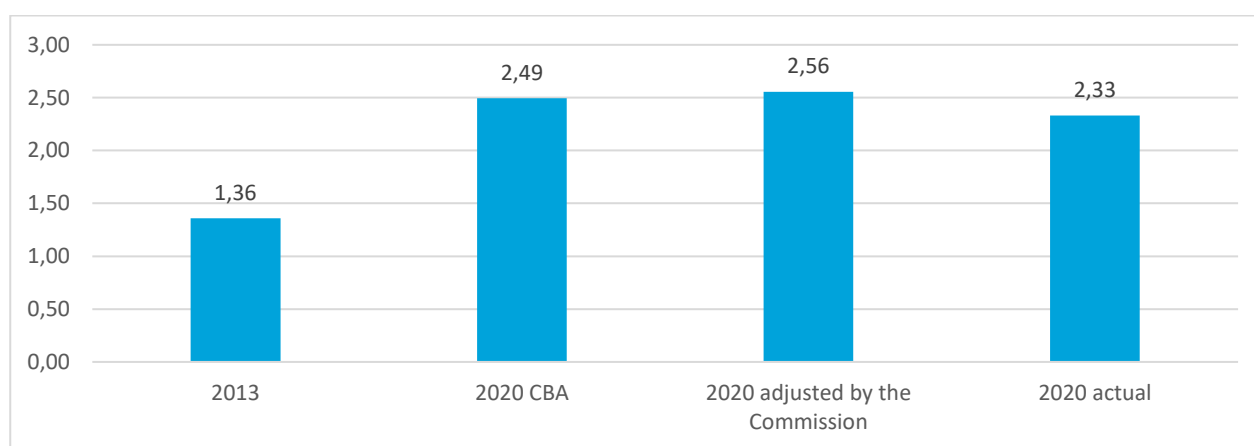
Aside from the allocated operational budget, the Agency’s workload was closely linked to the parameters of the delegated programmes, such as the distribution of the programme’s budget between tenders and grants (the administration of tenders was generally more resource-consuming, as for every service contract a separate tender must be launched and managed, whereas a number of grant agreements can be concluded following a single call for proposals, etc.), as well as the number of contracts/grants and the average grant/contract size (lower average grant/contract size means that the Agency must administer more grants/contracts for the same administrative budget), etc. The level of CHAFEA’s workload was further inflated by the fact that, being a small agency, it had to manage a diverse programme portfolio with limited complementarities and synergies between the programmes themselves, in terms of both specialised knowledge and forms of delivery. Moreover, the programmes managed by CHAFEA were implemented through a wide mix of different instruments (procurements/service contracts, mono- and multi-beneficiary grants, joint actions,

<sup>73</sup> In commitment appropriations.

direct grants to international organisations, framework partnerships for operating grants, payment of special indemnities for the exchange of officials, etc.). This variety of instruments meant that the actual characteristics of the delegated programmes were very complex and deviated from the initial 2013 Cost-Benefit Analysis estimations. Given that CHAFEA was a much smaller agency than its counterparts, its horizontal (administrative) functions put heavier pressure, in relative terms, on the resources of the Agency compared with the situation in larger agencies.

The analysis reveals that in 2020 CHAFEA achieved 93.5% and 91.2%, respectively, of the productivity level in terms of ‘budget per head’ initially estimated in the 2013 Cost-Benefit Analysis and the Communication to the Commission on the delegation of the management of the 2014-2020 programmes to the agencies (see Section 1 and Table 2 for details)<sup>74</sup>. The budget ‘per head’ ratio in CHAFEA increased from EUR 1.36 million in 2013 to EUR 2.33 million in 2020 (an increase of 71%) (Figure 6).

*Figure 6. Estimated and actual budget ‘per head’ in CHAFEA in 2013 and 2020, million EUR<sup>75</sup>*



*Source: Study supporting the triennial evaluation of the Agency, based on the Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (SEC(2013)493), and CHAFEA AARs, 2013-2020.*

## 5. Qualitative analysis

Qualitative aspects of the Cost-Benefit Analysis (which reflect the Cost-Benefit Analysis questions provided in Article 3(1) of the Regulation (EC) No 58/2003) were integrated into the overall evaluation framework (evaluation questions addressed under Task 1 and Task 2, **Table 9**). This allowed duplication of work to be avoided and ensured a consistent approach throughout the overall evaluation exercise. Nevertheless, in this part of the report, we summarise the key findings concerning each qualitative aspect of the Cost-Benefit Analysis.

<sup>74</sup> Lower ‘budget per head’ at CHAFEA related to the lower than initially estimated operational budget (in commitment appropriations) in 2020. Also, the budget estimated in the Specific Financial Statement in 2020 (EUR 198.9 million) was lower than the estimates in the Communication to the Commission on the delegation of the management of the 2014-2020 programmes to executive agencies (EUR 201.9 million).

<sup>75</sup> In commitment appropriations.

*Table 9. Qualitative aspects of the Cost-Benefit Analysis and their correspondence to evaluation tasks*

Qualitative aspect of the Cost-Benefit Analysis	Correspondence to evaluation tasks
Identification of the tasks justifying outsourcing	Task 1, Task 2.1 and Task 2.3
Costs of coordination and checks	Task 2.2 and retrospective Cost-Benefit Analysis
Impact on human resources	Task 2.2 and retrospective Cost-Benefit Analysis
Possible savings within the general budgetary framework of the European Union	Task 2.2 and retrospective Cost-Benefit Analysis
Efficiency and flexibility in the implementation of outsourced tasks	Task 2.1 and Task 2.2
Simplification of the procedures used	Task 2.2
Proximity of outsourced activities to final beneficiaries	Task 2.1
Visibility of the Community as a promoter of the Community programme concerned	Task 2.1
Need to maintain an adequate level of know-how inside the Commission	Task 2.1 and Task 2.3

*Source: Study supporting the triennial evaluation of the Agency.*

### **Identification of the tasks justifying outsourcing**

During the period 2017-2021, CHAFEA operated according to the legal framework that established the Agency. Although the overall delimitation of responsibilities between CHAFEA and its parent Directorates-General was sound, there was some room for improvement.

CHAFEA was responsible for the implementation of the following programmes: the CP, the HP, the BTSF, the AGRIP, as well as some legacy programmes. Overall, CHAFEA was responsible for the management of a broad range of programmes within a diverse and fragmented portfolio, which limited possible improvements to the efficiency of programme management, as well as making it difficult for the Agency to exploit synergies between different programmes.

For more details on this, please refer to Sections 4.1 (EQ 1.1.1), 4.2 (EQ 2.1.1.1 and EQ 2.1.2.1) and 4.4 (EQ 2.3.1) of the study supporting the evaluation.

### **Costs of coordination and checks**

The results of the 2017-2020 retrospective Cost-Benefit Analysis showed that the actual costs of the executive agency scenario were higher than the Specific Financial Statement estimates. The overall actual costs of the executive agency scenario<sup>76</sup> amounted to EUR 42.5 million during the period 2017-2020. To evaluate the extent to which these actual costs corresponded to the initial Specific Financial Statement estimates, it is important to follow the same assumptions that produced these Specific Financial Statement estimates. The Specific Financial Statement estimates (EUR 37.5 million for the period 2017-2020) were based on the EU contribution, whereas CHAFEA's administrative budget also included contributions from EEA/EFTA and third countries (EUR 0.59 million during the period 2017-2020) to manage an additional operational budget. Consequently, based on the EU contribution alone, the actual costs of the executive agency scenario amounted to EUR 41.9 million, and were EUR 4.4 million (11.8%) higher than the Specific Financial Statement

<sup>76</sup> Including the cost of coordination and monitoring by the Commission, and the costs covered from EEA/EFTA and third country contributions.

estimates. This resulted from Title I, ‘Staff-related expenditure’, due to CHAFEA’s average staff costs being underestimated in the 2013 Cost-Benefit Analysis and Specific Financial Statement.

For more details on this, please refer to Section 5.2 of the study supporting the evaluation.

### **Impact on human resources**

The retrospective Cost-Benefit Analysis revealed that during the period 2017-2020, CHAFEA managed to cope using the HR allocated. The composition of its staff (the ratio between temporary agents and contract agents) corresponded to the Specific Financial Statement estimates. CHAFEA was successful in ensuring sound HR management by proactively implementing its HR policy and aligning it with Commission-wide principles. The Agency efficiently implemented its 2016-2020 HR Strategy, which was illustrated by a significant increase in staff satisfaction, engagement and well-being at the Agency, according to the results of the 2018 Staff Survey (e.g. the overall staff engagement index rose to 63%, compared with 55% in the 2016 survey). However, the decision to wind up CHAFEA brought about a significant turnover in staff at the Agency (more than 20 staff departed in 2020).

For more details on this, please refer to Sections 4.3 (EQ 2.2.6) and 5.2 of the study supporting the evaluation.

### **Possible savings within the general budgetary framework of the European Union**

The costs of the executive agency scenario were slightly lower than the estimated costs of the in-house scenario. In 2017-2020, the actual cost savings deriving from a difference in cost between the executive agency scenario and the in-house scenario amounted to EUR 4.1 million (or 8.7% of the estimated costs under the in-house scenario). Due to the specificities of CHAFEA, the financial benefits of externalisation were more limited than was the case with other agencies, for which the volume of the actual cost savings due to externalisation amounted to between 32% and 36% of the estimated costs under the in-house scenario. When the savings initially estimated in the Specific Financial Statement and Cost-Benefit Analysis were compared with the actual savings from the delegation of tasks to CHAFEA, the actual savings during the 2017-2020 period were found to be 44.7% lower than the initial Specific Financial Statement estimates (EUR 4.1 million, compared with EUR 7.3 million) and 58.7% lower than the initial Cost-Benefit Analysis estimates (EUR 4.1 million, compared with EUR 9.9 million). As forecast in the Specific Financial Statement and the *ex ante* Cost-Benefit Analysis, the savings of the executive agency scenario resulted primarily from a higher share of lower-cost external personnel (contract agents) being employed within the Agency. However, higher actual staff costs at CHAFEA compared with the Commission’s estimated average staff costs limited the actual savings.

For more details on this, please refer to Section 5.3 of the study supporting the evaluation.

### **Efficiency and flexibility in the implementation of outsourced tasks**

During the evaluation period, CHAFEA implemented its AWP in an efficient way. The Agency was efficient in producing the planned outputs (issuing calls, evaluating proposals and administering grants and tenders), and achieved good results in terms of key performance indicators (Time-To-Inform, Time-To-Grant and Time-To-Pay were met, with some minor deviations) relating to the management of the delegated programmes. The Agency managed to achieve the expected outputs and results despite the challenges it faced during the evaluation period (in particular, the COVID-19 pandemic and the process of transition to the successor agencies).

The Agency was flexible enough to accommodate the key changes that occurred during the period 2017-2021 in terms of adapting its organisational structure after the Commission’s reorganisation in 2016, responding to the COVID-19 pandemic (by changing the management of the delegated programmes and its internal business processes) and Brexit, as well as implementing the transition to the Brussels-based agencies after the Commission’s decision to wind up the Agency.

For more details on this, please refer to Sections 4.2 (EQ 2.1.1.2) and 4.3 of the study supporting the evaluation.

### **Simplification of the procedures used**

In 2018, CHAFEA set up an interinstitutional task force on simplification, composed of representatives from the Agency and its parent Directorates-General. Although the task force discussed new possibilities for the further simplification and harmonisation of financial mechanisms, their adoption was delayed until the next programming period (and the decision to wind up the Agency made these changes less relevant). On the other hand, the results of the present evaluation show that the development of simplified and digitised application and grant management procedures (especially under the HP) lowered the administrative burden for all stakeholders. According to the survey and interview programme with beneficiaries and unsuccessful applicants, there was still a good deal of support for the further development of simplification options whose implementation could have further increased efficiency in the implementation of the delegated programmes.

For more details on this, please refer to Section 4.3 (EQ 2.2.3 and EQ 2.2.4) of the study supporting the evaluation.

### **Proximity of outsourced activities to final beneficiaries**

Analysis of the available evidence showed that CHAFEA was proximate to the programme participants, which was reflected in the contact the Agency maintained with applicants, beneficiaries, and external experts throughout the evaluation period.

For more details on this, please refer to Section 4.2 (EQ 2.1.4.1) of the study supporting the evaluation.

### **Visibility of the Community as the promoter of the Community programme concerned**

Based on the evidence gathered during interviews and surveys, CHAFEA ensured the visibility of the EU as the promoter of the programmes entrusted to the Agency. Beneficiaries, unsuccessful applicants and external experts were aware that the EU was the promoter of all programmes delegated to CHAFEA and that CHAFEA acted under powers delegated by the Commission.

For more details on this, please refer to Section 4.2 (EQ 2.1.5) of the study supporting the evaluation.

### **Need to maintain an adequate level of know-how within the Commission**

The monitoring, reporting and supervision arrangements put in place by the Commission and CHAFEA were effective, and ensured both the Agency's accountability and the sufficient transfer of knowledge between the Agency and its parent Directorates-General. At the end of 2020, to provide better policy support to the Commission, CHAFEA initiated the preparation of an action plan on knowledge sharing and feedback to policy, but this plan was not completed due to the announcement of the Agency's closure. While the Agency introduced a standard quarterly report template to harmonise different reporting approaches, room still remained to improve the transfer of knowledge to the Commission through the development of clearer monitoring frameworks for systematically collecting and analysing data.

For more details on this, please refer to Sections 4.2 (EQ 2.1.3.2) and 4.4 (EQ 2.3.3 and 2.3.4) of the study supporting the evaluation.

## ANNEX VI. STAKEHOLDERS CONSULTATION - SYNOPSIS REPORT

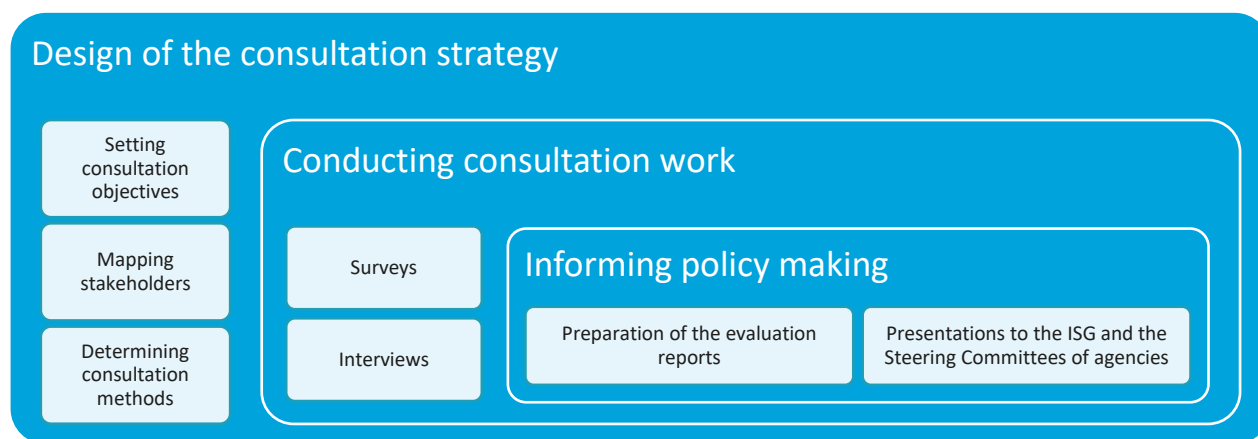
Annex VI presents a concise overview and conclusions on the work carried out to evaluate CHAFEA. It covers both types of stakeholder consultation activities (surveys and interviews) carried out by the study team. In line with the requirements set out in the Terms of Reference and the Commission's Better Regulation guidelines and toolbox<sup>77</sup>, the evaluation:

- outlines the consultation strategy;
- explains the implementation of each consultation activity undertaken and its alignment with the original consultation strategy; and
- summarises and compares the results of the consultation activities.

The purpose of this annex is to inform policymaking on the outcome of all consultation activities, and to inform stakeholders on how their input has been taken into account.

### 1. Outline of the consultation strategy

Figure 7. Design and execution of the consultation strategy



Source: Study supporting the triennial evaluation of the Agency.

The purpose of the stakeholder consultation carried out as part of this evaluation was to gather the views of key stakeholders and the data needed to inform responses to the evaluation questions. Given the scope of the Agency's activities, the consultation sought to include various categories of stakeholders, in particular Commission staff from the parent Directorates-General, Agency staff, beneficiaries and unsuccessful applicants to the programmes managed by CHAFEA, and external experts contracted by the Agency. The implementation of the consultation strategy was coordinated with the evaluations of other agencies to the extent necessary.

The methods used for the stakeholder consultation included two surveys and an extensive interview programme. Table 10 sets out the types of stakeholders engaged for each consultation method whose results are presented in the subsequent sections of this annex.

<sup>77</sup> European Commission, Commission Staff Working Document. Better Regulation Guidelines. Brussels, 3.11.2021 SWD(2021) 305 final. Available at: [https://commission.europa.eu/system/files/2021-11/swd2021\\_305\\_en.pdf](https://commission.europa.eu/system/files/2021-11/swd2021_305_en.pdf); European Commission, 'Better regulation' toolbox – November 2021 edition. Available at: [https://commission.europa.eu/system/files/2022-06/br\\_toolbox-nov\\_2021\\_en\\_0.pdf](https://commission.europa.eu/system/files/2022-06/br_toolbox-nov_2021_en_0.pdf).

Table 10. Main information on stakeholder consultation activities

Consultation activity		Target groups	Date
Surveys	Survey A	Beneficiaries of and unsuccessful applicants to the programmes managed by CHAFEA: all beneficiaries of the HP, CP and AGRIP as well as unsuccessful applicants of the HP and AGRIP calls launched under the 2017-2020 AWP	23 November / 1 December – 13 December 2022
	Survey B	External experts contracted by CHAFEA	23 November / 1 December – 8 December 2022
Interview programme		<ul style="list-style-type: none"> <li>Commission staff from parent Directorates-General</li> <li>Senior manager of CHAFEA</li> <li>Heads and representatives of the units of CHAFEA</li> <li>Representatives of the CHAFEA Staff Committee</li> <li>Beneficiaries of and unsuccessful applicants to the programmes managed by CHAFEA</li> <li>External experts contracted by CHAFEA</li> </ul>	25 August 2022 – February 2023

Source: Study supporting the triennial evaluation of the Agency.

These different types of stakeholder consultation activities complemented each other. The survey of unsuccessful applicants, beneficiaries and external experts, as well as the interviews with these stakeholders informed the answers to the evaluation questions on effectiveness and efficiency of the Agency. Interviews with Commission and CHAFEA staff also helped to address the evaluation questions related to coherence.

## 2. Key results of consultation activities

### 2.1. Summarised results of the survey

**Survey A** addressed all beneficiaries of the HP, CP and AGRIP programmes, as well as unsuccessful applicants to calls launched under the 2017-2020 AWP of the HP and AGRIP programmes. Due to their small sample size, procurement beneficiaries under the BTSF did not take part in the survey. As shown in Table 11, a total of 54 responses to the survey were received from CHAFEA's beneficiaries, and 19 from unsuccessful applicants. This represents a response rate of 21% for beneficiaries, and 12% for unsuccessful applicants, resulting in an overall response rate of 17% for Survey A. **Survey B** targeted all external experts contracted by CHAFEA in 2017-2020. A total of 69 responses were received, representing a response rate of 39%.

Table 11. Main statistics on the implementation of the surveys

Target group	Full launch of the survey (most invitations were sent on this date)	Survey closure date	Population targeted/no. of invitations sent out	No. of responses received	Response rate	No. of responses included in the analysis after cleaning
Beneficiaries	1 December 2022	13 December 2022	264	Partial: 13 Complete: 41 Total: 54	Total: 21% Only including complete: 16%	Partial: 6 Complete: 40 Total: 46
Unsuccessful applicants	1 December 2022	13 December 2022	164	Partial: 5 Complete: 14 Total: 19	Total: 12% Only including complete: 9%	Partial: 2 Complete: 14 Total: 16

Experts	23 November 2022	8 December 2022	176	Partial: 0 Complete: 69 Total: 69	Total: 39% Only including complete: 39%	Partial: 0 Complete: 68 Total: 68
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*Note: the response rate was calculated using the formula: Response rate =  $\frac{\text{No. of responses received}}{\text{No. of invitations sent out}} \times 100\%$*

*Source: Study supporting the triennial evaluation of the Agency.*

## Effectiveness

Overall, both the CHAFEA beneficiaries and the unsuccessful applicants were satisfied with the overall quality of the programme management services provided by CHAFEA during the whole application and project implementation period (94%, 37 out of 39 and 79%, 11 out of 14 respectively). In addition, most respondents appreciated CHAFEA's ability to adjust to the key changes in the context of the operation. A total of 98% (43 out of 44) of beneficiaries and unsuccessful applicants agreed or strongly agreed that the Agency acted promptly and flexibly to maintain the quality of its services during the COVID-19 pandemic.

Both groups of respondents positively evaluated the information provided for applicants. A total of 82% (47 out of 57) respondents agreed or strongly agreed that information for applicants (e.g. about the deadlines, call objectives, eligibility, award and selection criteria, documentation needed, etc.) was easy to find while 79% (42 out of 53) agreed or strongly agreed that requirements for the application process were reasonable and the deadline for submission was sufficiently long to prepare the application. There were no significant differences regarding the perceived reasonableness and proportionality of application requirements between the beneficiaries and the unsuccessful applicants.

Furthermore, 83% of respondents (44 out of 53) agreed that the application process was clear and transparent, without significant variation between different groups of respondents. Interestingly, the unsuccessful applicants were generally more positive regarding the provision of information, compared to the beneficiaries. For example, 93% of unsuccessful applicants (14 out of 15) agreed or strongly agreed that the information for applicants was clear and enabled to understand the application procedures, compared to 72% of beneficiaries (28 out of 39).

The user-friendliness of the application process was perceived rather similarly by beneficiaries and unsuccessful applicants, but some elements of the process were perceived more positively than the others. The respondents strongly agreed or agreed that the priorities and objectives of the programme guide / specific guidelines were clear throughout the application process (81%, 43 out of 53) and they found them to be user-friendly (75%, 39 out of 52). Similarly, the results of the application were seen as easy to access (51%, 38 out of 51). However, a somewhat smaller number of respondents agreed that the e-form for application/submission was clear and easy to complete (67%, 34 out of 51) and the IT tool used for the application process was user-friendly (65%, 34 out of 52).

Most beneficiaries and unsuccessful applicants (strongly) agreed that the evaluation process was clear and transparent (76%, 39 out of 51), and they received useful and practical feedback on their applications (82%, 42 out of 51). Most of the unsuccessful applicants agreed or strongly agreed that the outcome of their application was fair, and they had no objections to it (87%, 13 out of 15).

Regarding the communication with CHAFEA, beneficiaries were more positive about the availability and responsiveness of the Agency's staff, compared to the unsuccessful applicants. For example, while both groups (strongly) agreed that they knew who to contact for any question(s) or where to get help when preparing the application (76%, 37 out of 49), the support for this statement was significantly higher among beneficiaries (83%, 30 out of 36) compared to unsuccessful applicants (54%, 7 out of 13). Overall, 73% (33 out of 45) beneficiaries and unsuccessful applicants strongly agreed or agreed that they were satisfied with CHAFEA's ability to respond to questions

on the application and selection process within a reasonable timeframe. This trend was also supported by the results of Survey B, indicating that most experts (99%, 67 out of 68) considered CHAFEA staff as responsive and providing useful answers to their questions (100%, 67 out of 67).

Similar trends were observed among the beneficiaries during the grant or the project implementation phase. Most of them (strongly) agreed that the answers received from CHAFEA were clear and accurate (94%, 32 out of 34). They were satisfied with CHAFEA's ability to respond to questions within a reasonable timeframe (91%, 31 out of 34) while the lowest share of respondents (79%, 27 out of 34) (strongly) agreed that CHAFEA staff assigned to the project during the implementation stage were easy to get hold of and responsive. Overall, beneficiaries (97%, 38 out of 39), unsuccessful applicants (69%, 9 out of 13) and external experts were satisfied with the communication and interaction with CHAFEA during the whole application process (and, if applicable, project implementation) period. While evaluating the usefulness of the online information, external experts were the most positive about the online manual (step-by-step guide for portal processes) (96%, 25 out of 26 agreed or strongly agreed that the manual was useful), reference documents (96%, 23 out of 24) and direct support by CHAFEA's staff (90%, 19 out of 21).

All surveyed groups of respondents were aware that the EU raises awareness of all the programmes delegated to CHAFEA and that CHAFEA is acting under the powers delegated to it by the Commission. A total of 90% of external experts (61 out of 68) were aware that CHAFEA was entrusted to manage the programmes by the Commission, with a slightly lower share of beneficiaries (89%, 40 out of 45) and unsuccessful applicants (87%, 13 out of 15) being aware about this aspect.

The external experts contracted by CHAFEA were extremely satisfied with the services provided by the Agency during the process of becoming an expert and the execution of expert tasks. The satisfaction with the overall quality of the services provided by CHAFEA during the process of becoming an external expert and execution of tasks as well as the provision of information varied in the range of 95-100% (65-68 out of 68). The external experts were also satisfied with the level of assistance and responsiveness of CHAFEA's staff during your visit to Luxembourg (98%, 48 out of 49).

## **Efficiency**

While evaluating the simplification measures that were introduced in the programmes managed by CHAFEA in 2017-2021, both beneficiaries and unsuccessful applicants were the most positive about the establishment of a single point of contact for individual organisations/host institutions. A total of 89% of respondents (39 out of 44) agreed or strongly agreed that this has made the process of project application and/or implementation easier. Most respondents (strongly) agreed that the application and/or implementation processes were also improved by the simplification and clarification of the call guidelines (e.g. eligibility criteria) and the application forms (83%, 38 out of 46) as well as the streamlining and harmonisation of funding rules and procedures across different programmes and programmes' strands (79%, 30 out of 38). A further simplification of granting and reporting requirements improved the user-friendliness of IT tools for project management and reporting as well as the further simplification of guidance documentation were the most favoured options for the future simplifications, contributing to the more efficient implementation of the programmes, managed by the successor agencies of CHAFEA.

External experts contracted by CHAFEA reported that the evaluation process as generally efficient and made three key points (95%, 61 out of 64). First, most were positive about the electronic evaluation system and seen it as easy to access and use (94%, 62 out of 66). Second, experts generally agreed that the templates for the reports they had to complete were fit for purpose (96%, 64 out of 67). And third, the results of the experts' survey revealed that they had enough time allocated to review the proposals/projects or perform their other tasks (85%, 58 out of 68).

While the beneficiaries generally agreed that the grant process was clear and transparent (84%, 38 out of 38), some drawbacks in terms of the clarity and timeliness of the process were highlighted. In terms of clarity, most beneficiaries (strongly) agreed that requests from CHAFEA were clear, and that the contract was easy to understand (89%, 32 out of 36 and 86%, 32 out of 37 respectively). However, a significantly smaller share considered the electronic tools used for the validation and assessment of beneficiaries as user-friendly (61%, 22 out of 36). In terms of timeliness, beneficiaries reported CHAFEA's activities during the grant/project as generally timely. A minority of beneficiaries (strongly) agreed that 'time-to-inform' was appropriate (81%, 29 out of 36) while a slightly larger proportion agreed or strongly agreed on the appropriateness of 'time-to-sign' (86%, 22 out of 37) and 'time-to-grant' (89%, 33 out of 37). Similarly, most beneficiaries agreed that the payment process was smooth (90%, 27 out of 30), with the smallest share of them (strongly) agreeing that the time it took CHAFEA to process the final payment request and make payment was appropriate (80%, 16 out of 20).

Regarding monitoring, reporting and supervision arrangements, most beneficiaries (87%, 26 out of 30) agreed or strongly agreed that the monitoring activities carried out by CHAFEA staff or external experts working for CHAFEA were useful in implementing the grant/project. However, a slightly lower share of beneficiaries (strongly) agreed that the monitoring and reporting processes were clear (78%, 25 out of 32) and the instructions given on reporting procedures were clear and user-friendly (73%, 25 out of 34). Although a total of 72% of unsuccessful applicants and beneficiaries (33 out of 46) agreed or strongly agreed that the simplification of reporting templates for a effectively structured collection of results has made project implementation and reporting easier, the demand for the further simplifications of reporting requirements remained high (95% of beneficiaries and unsuccessful applicants, 36 out of 38 agreed or strongly agreed with this need). Most external experts (95%, 68 out of 68) agreed or strongly agreed that the reporting required a reasonable effort, but that the evaluation and project monitoring process was smooth (99%, 67 out of 68).

## **Coherence**

The survey results pointed to rather high levels of awareness about the respective roles, responsibilities and tasks of CHAFEA and its parent Directorates-General. A total 75% of beneficiaries (33 out of 44) agreed or strongly agreed that the distinction was clear for them while the share of external experts supporting this statement was somewhat higher and reached 84% (57 out of 68). However, the levels of awareness were significantly lower among the unsuccessful applicants. Only 53% (8 out of 15) agreed or strongly agreed that they were aware of the distinction in the roles of CHAFEA and its parent Directorates-General.

### **2.2. *Summarised results of the interview programme***

The interviews were conducted in line with a common questionnaire, including questions on the evaluation criteria and adjusted to the experience of individual stakeholders. Each interview was recorded, and interview notes and/or transcripts were prepared based on the recordings. As initially planned, a total of 25 interviews with 27 interviewees was conducted.

- Eight interviews (nine interviewees) with representatives of parent Directorates-General (except Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs).
- Seven interviews (eight interviewees) with representatives of CHAFEA and its successor agencies.
- Five interviews (five interviewees) with unsuccessful applicants or beneficiaries and service providers of programmes managed by CHAFEA.
- Three interviews (three interviewees) with external experts who worked on proposal evaluations.

- Two interviews (two interviewees), conducted for follow-up and validation purposes with the senior managers of CHAFEA.

## **Effectiveness**

The analysis of the findings that emerged from the interview programme with Agency and Commission staff confirmed that the Agency complied with its legal framework during the evaluation period. Interviewees from both groups also generally agreed that the Memorandum of Understanding clearly defined the responsibilities of CHAFEA and its parent Directorates-General. However, staff were of the opinion that there were some uncertainties regarding this delineation during the implementation phase.

In general, the feedback provided during the interviews suggested that CHAFEA was successful in enabling the Commission to focus on its policy-related tasks. The delegation of programme implementation to CHAFEA was especially appreciated in terms of grant management while the management of procurement actions was still seen as needing closer involvement of the parent Directorates-General. This distinction was mostly noted in the context of the management of the AGRIP, where implementation of the Commission's own initiatives and high-level missions required the close involvement of staff from the Directorate-General for Agriculture and Rural Development.

The new organisational structure that was established during the current evaluation period was positively evaluated in terms of interactions with the parent Directorates-General. For example, a representative of Directorate-General for Health and Food Safety stated that this change allowed CHAFEA to better respond to and track the needs of parent Directorates-General, as well as improve communication. However, the evidence for internal effects was mixed. On the one hand, the creation of a new unit dealing with financial issues improved the 'time-to-pay' indicator and resolved the previously existing issue of late payments. On the other hand, a few former-CHAFEA employees raised the potential issue of conflict-of-interest that arose with the merger of the cross-cutting service (Legal team) and the operational unit (Consumer programme).

Evidence gathered from the interviews confirms that CHAFEA achieved its objectives in implementing the delegated programmes and tasks. Staff from the representatives of parent Directorates-General emphasised CHAFEA's contribution to EU policy goals and the Commission's priorities, particularly in health, food safety, agriculture and consumer policy. In addition, respondents considered that CHAFEA excelled in project and programme management because they implemented projects in line with the rules, within the deadlines and appropriately shared the relevant information. From the parent Directorates-General's point of view, CHAFEA successfully implemented delegated programmes, particularly in grant management.

Furthermore, all groups of interviewees highlighted CHAFEA's flexible approach. Interviewees from both the parent Directorates-General and the Agency highlighted high levels of professionalism and dedication that helped to quickly adjust to the COVID-19 pandemic. The interviewees from CHAFEA highlighted that the continuation of activities was extremely harsh as it overlapped with the transition of CHAFEA's activities to its successor agencies and high staff turnover, caused by this decision. However, beneficiaries and external experts confirmed that the CHAFEA demonstrated high levels of flexibility and the pandemic had no negative impact on implementing most of the projects. Similarly, staff of the parent Directorates-General highlighted both the smooth implementation of the programmes as well as the business continuity that was ensured during the transition process to successor agencies. Furthermore, the staff of CHAFEA provided professional assistance throughout Brexit, which was especially appreciated by applicants and/or beneficiaries from the United Kingdom.

However, a few interviews with the former-CHAFEA staff revealed that key performance indicators, as defined, did not always accurately reflect CHAFEA's real performance results. CHAFEA managed both grants and procurements, but the key performance indicators for both funding mechanisms were the same. CHAFEA staff emphasised the nuances of the procurement process (detailed specifications, lower number of contracts signed, etc.) and the importance of establishing different key performance indicators for this funding mechanism during the interview programme.

Evidence from the interviews confirmed the satisfaction of beneficiaries, applicants and experts with CHAFEA's external communication channels. Beneficiaries, unsuccessful applicants, and external experts were aware that the EU raises awareness of all programmes delegated to CHAFEA and that CHAFEA was acting under powers delegated to it by the Commission. The personal involvement and support, provided by project officers, was mentioned both by the beneficiaries and the external experts as a relevant condition, contributing to the effective implementation of the project.

## **Efficiency**

Both Commission and CHAFEA staff pointed out that there were some efficiency losses resulting from the small size of the Agency and the lack of opportunities to build economies of scale. For example, Agency staff stated that fixed costs for cross-cutting services were comparatively high due to its small size and limited number of staff. However, the respondents also pointed out that it was precisely the small size of the Agency that had turned it into a hub of excellence in terms of programme management since most of its employees were able to manage both grants and procurement. Overall, both Agency and Commission staff confirmed that CHAFEA was efficient in achieving its key performance indicators without facing significant delays.

The former-representatives of CHAFEA highlighted that it was constantly striving to implement simplification measures. In 2020, CHAFEA adopted e-procurement, including e-submission in order to align its practices with the Commission's digital agenda. To be precise, respondents highlighted the usefulness of the PPMT corporate tool that was used for managing the entire call for tender cycle until the signature of the contract. CHAFEA was among the first agencies to adopt this tool and the respondents gave a very positive evaluation, noting that it provided efficiency gains. However, the interviews revealed that some units were slower than others to take-up the e-procurement tool, e.g. the tool was not in place in the Health & Food Safety Unit until March 2021. Furthermore, the need to align with Commission-level developments was stressed, particularly in financial and HR management. As put forward by one of the respondents, CHAFEA was closely following the instructions or recommendations provided by Directorate-General for budget and Directorate-General for human resources and security and putting them into practice.

The interviews with the beneficiaries also revealed that there were other areas where the Agency could improve its performance. First, some of the interviewees highlighted difficult application process, claiming that, while rather easy for those whose are familiar with the process, it might be burdensome for applicants who are not familiar with this process yet. Second, while generally satisfied with the functioning of the IT systems, some of beneficiaries and unsuccessful applicants still found them to be not sufficiently user-friendly. As advanced by one of the interviewees, taken together, those two issues might even put off some organisations from submitting an application, i.e. there was a high 'entry threshold' for new applicants.

Beneficiaries generally considered the grant process as time-efficient. However, the beneficiaries that were interviewed stressed that they considered the 'time-to-inform' as too long, especially compared with the time dedicated to the preparation of the proposal. The interviews with beneficiaries showed that reporting requirements sometimes overlapped. Most grant beneficiaries

stated that many of the requirements were repetitive and adding a lot to their workload as the same information had to be presented in a variety of different formats, including summaries, technical reports, lists, etc. At the same time, beneficiaries were concerned about the limited impact of the large-scale reports.

External experts found the registration process to become an approved expert and the overall collaboration with CHAFEA to be efficient. Most interviewed experts stressed that the evaluation process was transparent and fair and that the support provided by CHAFEA was of high quality. The simplification of procedures for becoming an approved expert, the provision of templates and the transfer to online space were mentioned as some of the key changes that took place during the evaluation period. However, opinions on the qualification of experts varied: while some of the interviewees had no doubts about the professional experience of the experts, others stressed that some experts with no relevant expertise in the field were involved in the evaluation.

## **Coherence**

The involvement of CHAFEA was valued by the parent Directorates-General in carrying out procurement activities as it eased their workload significantly. The main concern was related to implementing high-level missions where the involvement needed from the parent Directorates-General was higher than expected. Furthermore, CHAFEA showed agility and flexibility in accommodating last-minute requests (e.g. from EU delegations to organise last-minute promotion activities in support of certain policy goals). As highlighted by representatives of parent Directorates-General, in many cases, CHAFEA accommodated such requests, even when the amount of required lead time (as set out in the Memorandum of Understanding) was not indicated.

The interviews with Commission and CHAFEA staff revealed slightly diverging opinions regarding the involvement of CHAFEA in the programming process. There was a degree of reservation among parent Directorates-General about engaging CHAFEA more actively in the drafting of work programmes. It was mostly related to the effort of keeping them aligned with the EU priorities and policy direction. Furthermore, it was argued that the closer involvement of CHAFEA staff was not provided for in the Memorandum of Understanding and, therefore, they could be mostly engaged for the provision of data or feedback. However, CHAFEA staff argued for being more broadly involved claiming that their expertise would be relevant for matching the funding tool and the priority as well as developing clearer indicators to measure the programme's impact.

As indicated by the interviewees, communication between CHAFEA and the parent Directorates-General appeared to work smoothly, particularly at the more formal level. For those units whose communication was more impromptu, a desire was expressed for more regular, formalised meetings to discuss progress (on a weekly, fortnightly or monthly basis) and a more formalised feedback mechanism between the Agency and the parent Directorates-General. Furthermore, CHAFEA staff highlighted a lack of information exchange mechanisms, claiming that some information reached them too late or only through interpersonal communication while some staff of the parent Directorates-General highlighted that some meetings were inefficient and poorly structured, therefore, bringing only limited benefits to their participants. A number of activities have also been introduced to facilitate knowledge sharing between different units within CHAFEA. However, the interview programme revealed that the parent Directorates-General were pressed to initiate new policy directions for political reasons that diverted attention away from the previous rounds of the implemented programmes. In some cases, this shift of policymaking focus led the Agency to perceive that its efforts in providing feedback to policy were underappreciated.

### **2.3. *Comparison of the results of the consultation activities***

Table 12 shows the key results per consultation activity, organised by evaluation criteria, as well as by the level of consistency, complementarity and contradiction of results across consultation activities. Overall, as shown in Table 12, there was high convergence in the results of the different consultation activities.

Table 12. Consistency, complementarity and contradiction of results across consultation activities

Evaluation criterion	Survey	Interview programme	Consistency of results across consultation activities	Complementarity of results across consultation activities	Contradiction of results across consultation activities
<b>Effectiveness</b>	<p>Beneficiaries expressed high levels of satisfaction with CHAFEA's performance throughout the project management process. External experts were overall satisfied with the services provided by the Agency during the registration for becoming an expert and the execution of expert activities. However, some diverging opinions regarding the transparency of experts' selection process were revealed by Survey B.</p> <p>Most beneficiaries and unsuccessful applicants rated the evaluation process as effective, fair, and transparent. A significant share of beneficiaries would participate again (re-apply) or were involved in another project during the evaluation.</p> <p>Most of beneficiaries, unsuccessful applicants, and external experts were satisfied with CHAFEA's communication and their interaction with the Agency. Typically, respondents evaluated the representatives of CHAFEA as responsive.</p> <p>The programmes managed by CHAFEA were seen as well-promoted by all categories of</p>	<p>Most interviewees considered CHAFEA as flexible enough to accommodate key changes in the context of operation. While all groups of interviewees unilaterally agreed that CHAFEA managed to adjust to challenges caused by the COVID-19 pandemic and Brexit, their opinions towards the management of the closure of the Agency were more diverse. Namely, the representatives of parent Directorates-General generally treated this process as highly successful, while the representatives of CHAFEA highlighted challenges encountered during the transition.</p> <p>Interviewees confirmed that CHAFEA met its overall objectives and targets. The interview programme provided mixed evidence on the definition of key performance indicators. While most interviewees claimed that key performance indicators reflect CHAFEA's actual performance results, some of them highlighted that key performance indicators did not encompass the difference between grants and public procurement modes.</p> <p>Furthermore, interviewees from CHAFEA and its parent Directorates-General confirmed that the Agency's communication was effective. Supplementing</p>	High	High	Low

	<p>respondents. Most of them were aware that CHAFEA was entrusted to manage this programme by the Commission and that the EU was the funder and promoter of all programmes delegated to CHAFEA.</p>	<p>results of the surveys, the interviews with beneficiaries and external experts highlighted the communication with CHAFEA project officers as one of the most useful tools for information exchange. The interviews with external experts complemented the survey results by providing more information on the registration process.</p> <p>Overall, all interviewees expressed satisfaction with CHAFEA's performance.</p>			
<b>Efficiency</b>	<p>Most of the surveyed beneficiaries and unsuccessful applicants agreed that there is still room for simplification, in particular in terms of increasing the user-friendliness of IT tools and simplifying the guidance documentation.</p> <p>Both beneficiaries and unsuccessful applicants generally agreed that the grant amendment and payment processes were smooth.</p> <p>Most surveyed experts were satisfied by their work experience with CHAFEA and were willing to further collaborate with its successor agencies. This group of respondents agreed that the evaluation / project monitoring process was smooth and the reporting requirements required reasonable effort.</p>	<p>Some Commission staff indicated that the Agency's staffing level was not appropriate.</p> <p>CHAFEA staff confirmed, that some efficiency loss resulted from small size of the Agency and lack of opportunities to have the economies of scale. Furthermore, the diversity of programmes also limited the efficiency gains. This, according to some CHAFEA staff, was also related with a variety of financial instruments used, which, in turn, increased the workload.</p> <p>All groups of interviewees claimed that corporate tools simplified as well as digitised application and grant management procedures, which consequently reduced the administrative burden.</p>	High	High	Low
<b>Coherence</b>	<p>The survey of CHAFEA's unsuccessful applicants, beneficiaries and external experts revealed that the latter groups were overall well aware of the different roles performed by the Agency and its parent Directorates-General. However, the levels of awareness among the unsuccessful applicants were significantly lower.</p>	<p>Interviewees from the Agency claimed that their skills were somewhat underexploited during the preparation of work programmes while the representatives of parent Directorates-General expressed more reserved attitudes towards an increased involvement of CHAFEA officials in this process.</p> <p>Interviewees from the Commission overall agreed that</p>	High	High	Low

		<p>the delegation of programme management tasks to CHAFEA enabled them to better focus on their primary policymaking tasks.</p> <p>All parent Directorates-General agreed that the communication and feedback from the Agency was overall important and helpful. However, they have also noted some room for improvement. On the other hand, CHAFEA staff reported a lack of clear guidelines and communication about what outputs of feedback to policy were relevant for the Commission.</p> <p>The physical distance between the Agency (in Luxembourg) and the Commission (in Brussels) was not perceived as an important constraint to knowledge exchange neither by the Agency nor by its parent Directorates-General.</p>			
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*Source: Study supporting the triennial evaluation of the Agency.*