



ENISA Today and Future - Efficiency and budgetary constraints related to the Agency location

ENISA Executive Director, Prof. Dr. Udo Helmbrecht
Speech at the Committee on Budgets
European Parliament
16th March 2016





Dear Mr Arthuis, members of the Committee on budgets and representatives of other authorities present.

I would like to thank you for the opportunity to address you and to take questions on the issue brought to your attention today.

My name is Udo Helmbrecht and I was appointed as Executive Director of ENISA in October 2009. In the next few minutes I will address with you ENISA's establishment, role and practical and budgetary constraints.

ENISA position on practical and budgetary consequences of its current Seat Agreement - BUDG/8/05886

The European Union Agency for Network and Information Security (ENISA) exists pursuant to Regulation No 526/2013¹ of the Parliament and the Council of 21 May 2013. It is the successor of Regulation No 460/2004 of the European Parliament and of the Council of 10 March 2004 which initially created the Agency in 2004.

Regulation No 526/2013 (hereinafter called the “ENISA Regulation”) came into force on 19 June 2013, which was the date of the launch of the new mandate of ENISA. The Regulation provides that the mandate remains in existence until the 18 June 2020.

By decision² of the Member States representatives in 2003, ENISA was to be established on the basis of the proposal submitted by the Commission and have its seat in a town in Greece to be determined by the Greek Government. Following that decision, the Greek Government determined that ENISA should have its seat in Heraklion, Crete.

In order to improve the efficiency of the operation of the office and as provided for in recital 7 and Article 26 (4) of the Regulation, ENISA established a branch office in Athens in 2013 to accommodate operational staff.

As provided in the Regulation, the Agency has its seat in Heraklion, Greece, which mainly hosts the administrative services (approx. 20 staff). The branch office in Athens, where the operational staff is based has approx. 70 staff.

For the benefit of parliament members and all present in this session, I would like to give a brief explanation of the background and activities of ENISA as described in the mission statement.

Information and communications networks including information systems are essential infrastructures for the functioning of our economies and society. Secure networks are increasingly becoming as indispensable as electricity or water supply infrastructures as presented in the EU Digital Single Market (DSM) Strategy.

The Agency's activities consist of giving advice and recommendations, as well as supporting awareness raising and cooperation by the EU bodies and Member States. Building on national and Community efforts, the Agency is a Centre of Expertise in this field. ENISA uses its expertise to stimulate cooperation and actions between the public and private sectors.

Security of network and information systems is essential to the security of all the critical sectors in society. Disruptions on these infrastructures and services are becoming more frequent and are estimated to cost annually 260-340 billion EUR to corporations and citizens. The World Economic

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:165:0041:0058:EN:PDF>

² Decision 2004/97/EC, Euratom taken by common agreement between the Representatives of the Member States, meeting at Head of State or Government level, of 13 December 2003 on the location of the seats of certain offices and agencies of the European Union (OJ L 29, 3.2.2004, p. 15).

Forum’s 2014 report on Global Risks, lists “failure to adequately invest in, upgrade and secure infrastructure networks” as a top threat to the global economy.

Various recent studies, including those of ENISA, demonstrate that the threat landscape will get worse, unless we take firm action. It is expected there will be a significant evolution in the top threats, with new, more sophisticated malicious attacks on critical services and infrastructures, with a dramatic increase in data and security breaches (25% increase over the same period last year).

Among other things, the Agency provides assistance to the Commission and Member States in their dialogue with industry to address security-related problems in the hardware and software sectors.

In relation to efficiency there are two paragraphs of the ENISA Regulation that I would like to bring to your attention.

The first

- Recital no 10 of ENISA Regulation notes that:
*“[...] **the host Member State** should maintain and further develop the current practical arrangements in order to ensure the smooth and efficient operation of the Agency, including its Athens branch office, and facilitate the recruitment and retention of highly qualified staff.”*

and the second

- Article 33 of ENISA Regulation provides that:
“The Agency’s host Member State shall provide the best possible conditions to ensure the proper functioning of the Agency, including the accessibility of the location, the existence of adequate education facilities for the children of staff members, appropriate access to the labour market, social security and medical care for both children and spouses.”

I would like to now address our experience of operating in two locations namely Heraklion and Athens for the last three years.

The following table illustrates some of my views on the aspects of comparison in relation to the two locations particularly in the context of the requirements set down in Article 33 of the ENISA Regulation.

AS STATED/REQUIRED IN ART 33 ENISA REG.	HERAKLION	ATHENS
<i>“Accessibility of ENISA location”</i>	Direct flights to limited number of EU capitals during the summer period only (holiday charters mainly)	Direct flights to main EU destinations throughout the year
<i>“Existence of adequate education facilities”</i>	Audit Report on European School of Heraklion “The Board of Governors decided:	A variety of private schooling facilities offering curricula in English and other EU languages. These

	to mandate the Secretary-General to present to the Board of Governors a procedure aimed at gradually ending the accreditation agreement.” ³	international schools are already accredited.
“Appropriate access to labour market, social security and medical care for children and spouses”	Very limited career opportunities for non-Greek spouses. Lack of internationally oriented environment.	Better opportunities for spouses and family members as international community is present.

Moreover to the three years of experience since I opened the Athens office, I would like to refer to the comments included in **my Discharge report of 2013**⁴ to you.

The first comment relates to efficiency.

“ENISA currently operates in two locations within the hosting Member State. The European Court of Auditors have questioned the efficiency of such a split and the EP Discharge report for ENISA for 2013⁵ mentioned that the EP agreed with the Court's opinion that administrative costs could be reduced if all the Agency's staff were to be centralised in one location and encouraged the Agency to prepare a strategy that would resolve this issue effectively.”

The second comment relates to delays in the receipt of funds from the Greek Government to allow ENISA to pay the office rents.

In the same Discharge report, it was acknowledged that:

“[...] according to the lease agreement between the Greek authorities, the Agency and the landlord, rent for the offices in Athens is paid by the Greek authorities; is concerned by the constant late payment of rent, delayed by several months, which presents business continuity and financial risks for the Agency; takes note that the Agency has commenced discussions with the interested parties in this regard; notes furthermore that to date, the landlord has accepted the delays attributed to the procedures of the Greek Government without imposing any penalty on the Agency; calls on the Agency to continue its efforts in order to mitigate the risks brought by this situation and to inform the discharge authority on the progress;”

Additional to this there are additional functional challenges and additional costs that I would like to address include the overheads associated with building and facilities.

In the implementation of Article 1 of the Seat Agreement of ENISA, signed with the Greek Government in 2005⁶ (hereinafter “the Seat Agreement”), the Greek Government subsidises the rent of both offices of ENISA in Greece in full.

³ <http://www.eursc.eu/getfile/2036/2>

⁴ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0150+0+DOC+XML+V0//EN#BKMD-114>

⁵ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0150+0+DOC+XML+V0//EN>

⁶ Greek Law 3572/2007

Needless to say **the maintenance of two offices incurs duplication, additional cost, inefficiencies as well as increased challenges for the work environment. These additional costs are borne by both the Greek State in the form of rent payments and ENISA from an operational perspective.** ENISA is minded to address these inefficiencies with your help.

Although ENISA has established internal systems to enhance communication and information flow between the two locations, such as paperless workflows, physical travel is critical to effective accomplishment of coordination of ENISA tasks.

However the situation results in:

- High mission costs of staff based in Heraklion
- Increased communications challenges due to the physical separation
- Loss of Heraklion based staff time due to travelling and lower efficiency
- Staff fatigue and stress level increase
- Social/work life balance issues

My conclusion and request to you is to assist me having ENISA located in only one location namely Athens by:

- Addressing the attractiveness of the Agency as an employer, in a very competitive labour market
- The uncertainty in respect of education of the children of ENISA staff
- The time and financial efficiency of the operation of ENISA and the cost savings for the Greek government.

Finally, I would like to conclude by **linking the efficiency of the operation of ENISA with the renewal of the Mandate.**

The current mandate of ENISA remains in effect until June 2020. The evaluation of the impact, effectiveness and efficiency of the Agency and its working practices will be launched by the Commission in due time. The evaluation report will be made available to the European Parliament, the Council and ENISA Management Board⁷.

The extension of the mandate of ENISA beyond its current remit and duration will depend on the assessment of its efficiency from 2013 to 2018. The issue of an Agency based in two locations has been addressed by the Court of Auditors and the EP.

Your timely support on helping ENISA to improve its efficiency and for the renewal of the mandate is important. I hope I have been able to explain some of our challenges and I look forward to working with you on this important issue.

⁷ Article 32 of ENISA Regulation.



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