МИНИСТЕРСТВО НА ТРАНСПОРТА,
ИНФОРМАЦИОННИТЕ ТЕХНОЛОГИИ И СЪОБЩЕНИЯТА
ГД „Гражданска въздухоплавателна
администрация"
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# Процедура № 8

# за
# надзор на план за ефективност на ДАНО

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## NSA Monitoring Procedure for RP2 Performance Plan Delivery

### 1. INTRODUCTION

This procedure is elaborated for the description of the activities to be undertaken and regularly done by the Bulgarian air navigation services provider (ANSP) BULATSA for collection and provision of information to the DG CAA – the Bulgarian National Supervisory Authority (hereafter referred to as the NSA) for the monitoring of the delivery of the revised performance plan (PP) approved in the end of 2017. This information shall be further assessed and analysed for the purposes of creation of a quarterly monitoring reports.

The procedure is aimed at the creation of the monitoring mechanism under Article 20 of Regulation (EC) 390/2013[1]. It details the key ingredients to be monitored by the Bulgarian NSA as part of the revised Performance plan oversight and establishes an additional and specific layer of reporting to the implemented reporting practices to ensure that the targets in the performance plan are met and that the risks over the reference period are identified, managed and mitigated.

To achieve efficiency, this procedure comprises the following principles:

- make maximum use of the existing BULATSA reporting mechanism to provided information to Ministry of Transport, Information Technology and Communications (hereafter referred to as the Ministry or MTITC), NSA, etc.
- propose upgrades to these mechanisms for the purposes of performance plan monitoring mechanism elaborated by BULATSA;
- elaborate specific parts of the monitoring mechanism, where necessary;
- adapt the monitoring mechanism in compliance of Article 20 of Regulation (EC) 390/2013;
- streamline the reporting on the work done.

The procedure is based on the PRB recommendations in its assessment report on the revised PP submitted by Bulgaria, as follows:

> *„6.1.1 The PRB advises the European Commission that based on this analysis the PRB considers that the corrective measures applied by Bulgaria, which necessitate a change in the Performance Plan, are justified. It has been shown in the monitoring report that Bulgaria has experienced a substantial change in the operational context and assumptions that were used in the original planning. In addition; risk assumptions used in the original planning, in regard to Ukrainian airspace, have not evolved as assumed. This change is substantial and exceptional in nature and driven by continued geopolitical risks. Bulgaria's revised en-route cost-efficiency targets are less than previously planned, but it is the opinion of the PRB that they remain consistent with and adequately contributing to the Union-wide cost-efficiency targets. The cost efficiency trend over RP1 RP2 exceeds the*

[1]The procedure is developed in the context of lack of guidance material from the European Commission on performance plan audit mechanisms and is written to the knowledge of the NSA to monitor and control key risks in the revised Performance Plan.

*value of criteria for the assessment of plans and that the RP1 trend is lower than the assessment trend, but the unit rate is lower than the average of the peer group. On this basis, the PRB recommends to the European Commission that the change is adopted.*

*6.1.2 The PRB also advises the European Commission that it should within a period of no more than two years carry out a compliance monitoring assessment under its powers in Article 20 of the Performance Regulation. This review of compliance should inspect all aspects related to CAPEX and its use, the financing of projects and internal mechanisms for financing of CAPEX and cash flows in the organisation. The report of these inspections should be included in the annual report of the year it is undertaken along with any findings and recommendations made. The methodology and scope of this inspection should be drawn up and notified to the State no later than the 31st March 2017.*

*6.1.3 The PRB also advises the NSA of Bulgaria to undertake audits of the provider to ensure that in applying the new plan, the Provider delivers the staff changes necessary, that costs are contained, and that changes within the allowance of the new plan are applied when necessary. It should introduce mechanisms for quarterly review of staff productivity. It should also develop mechanisms in line with the recommendation in 5.1.2 to assist the Commission in its review of compliance and notify the Commission of the scope and methodology of the audit programme before 31st March 2017."*

## 2. REPORTING FOR THE PERFORMANCE PLAN DELIVERY DURING THE RESPECTIVE REFERENCE PERIOD

2.1. Annual monitoring reports (AMR)
The AMR is part of the defined reporting process during the performance scheme reference period, that runs through each year of the cycle and is used to provide an output to the European Commission on how the Member States contribute to the overall European Single Sky initiative. Such AMR is sent to the European Commission, Single European Sky Monitoring programme, overseen by the Performance Review Body.

The AMR is prepared for each year of the reference period and runs in line with the Annual Activity report of BULATSA to the Ministry. The infromation on activities is generated monthly and consists of key figures and is summarised annually in a published report.

It is to be noted that for each year of the Reference Period, a report on cost exempt, (similar aspects might arise with respect to CAPEX fulfillment), which whilst reported annually, are addressed over an entire reference period, reported as positive or negative adjustments to cash flows of the ANSP in the next reference period and are related to either recovering costs from the industry, or returning some costs back. These need to be carefully reviewed since they accumulate over the reference period, and they can, in some instances, transfer considerable cost recovery, or substantial debts to users, in future reference periods. These risks could cause serious damage to cash flows if not properly and timely addressed.

The review process therefore needs to be examined over the full extent of the reference period with reporting processes tailored to achieving a consistent output of delivery whilst managing the risks to delivery.

2.2. Periodic reports
Further to the annual monitoring report, the NSA hereby establishes enhanced mechanism at local (State level) to monitor key deliverables under the performance plan to ensure that BULATSA fulfills the aspects of the performance plan in all key performance areas reported at annual basis in the AMR. This is an important part, since it will serve to also better define the interdependencies within BULATSA and further elaborate such a mechanism for RP3, subject to the adopted EU legislation, as the case might be. This is an important constituent in the reporting process and it is essential that is being tracked regularly and carefully at local level. It will provide reasonable level of assurance at State level (NSA/Ministry) as well as to the company management that the ANSP keeps on building local capabilities to provide safe and high-quality services in terms of high traffic levels and increased complexity of airspace while facing cost efficiency challenges under the performance plan (PP).

BULATSA internal reporting process comprises:

- Monthly reporting to the Ministry. This internal reporting drives a number of actions in the company: management actions, regular discussions, and in addition contribution to the preparation of subsequent reports hereunder;
- Quarterly reporting to the Ministry;
- Contribution to the Annual Monitoring Report submitted through the FAB that describes the contribution of Bulgaria to the Single European Sky initiative to ensure level of performance as per revised performance plan (PP).

States are required each year to consult with users on outputs and recovery actions.

## 3. PERIODIC MONITORING REPORT CONSTRUCTION

The processes used to produce the monitoring report, the data used and the interactions among departments are all necessary elements for consideration in complying with the review by the EC.

High-level process models are to be drawn up and used to explain the processes in easy to view format and could be used to explain to the EC the overview of the BULATSA process, so as to ensure that it is both mature and robust. These drawings could be further enhanced, where necessary.

### 3.1. Methodology

The four-step methodology adopted is:

- Step One: assurance of information flows within BULATSA on key areas, ingredients for the deliverables under the erformance plan
- Step Two: Analyses of the information
- Step Three: Risk Assessment
- Step Four: Making conclusions.

### 3.2. Step One: assurance of information flows within BULATSA on key ingredients for the deliverables under the performance plan (PP)

This step comprises examination of information and documentation to be supplied and analyses the main information flows required for the company to meet its reporting requirements and assurance on data integrity. It is to be ensured that the following key data is provided, to assess adequately the deliverables under the performance plan. The key features related to each one of them are shown hereunder.

### 3.3. Steps Two and Three shall be performed after completion of step 1 in respect of each PP ingredient identified hereunder.

### 3.4. Step Four will be performed also after the completion of the analyses for each ingredient and will be summarized for the respective report.

All areas monitored are to be analysed in-depth versus the respective parameters contained in the revised performance plan, progress made, reasons for the deviations explained, attributable risks of the outcome identified and solutions for their mitigation and management made. and conlusions on the reason for the deliveries under the performance plan made.

## 4. MONITORING AND REPORTING OF KEY INGREDIENTS

### 4.1. Traffic scenario

The evolution of the traffic scenario shall be monitored in terms of number of flights and service units generated by the overflights, as well as by overflights, international arrivals and departures and domestic flights. In-depth analyses will be performed in respect of the deviations from the plan.

4.1.1. Traffic evolution (number of flights)

| Type of Flights - Plan | J | F | M | A | M | J | J | A | S | O | N | D | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OVFL total, incl.: | | | | | | | | | | | | | |
| ICAO Zone LT | | | | | | | | | | | | | |
| ICAO Zone O | | | | | | | | | | | | | |
| ICAO Zone V&W | | | | | | | | | | | | | |
| ICAO Zones LC, LG, LL | | | | | | | | | | | | | |
| ICAO Zone H | | | | | | | | | | | | | |
| Other ICAO Zones | | | | | | | | | | | | | |
| A+D Int. & Dom., incl.: | | | | | | | | | | | | | |
| LBSF | | | | | | | | | | | | | |

| Type of Flights - Actual | J | F | M | A | M | J | J | A | S | O | N | D | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OVFL total, incl.: | | | | | | | | | | | | | |
| ICAO Zone LT | | | | | | | | | | | | | |
| ICAO Zone O | | | | | | | | | | | | | |
| ICAO Zone V&W | | | | | | | | | | | | | |
| ICAO Zones LC, LG, LL | | | | | | | | | | | | | |
| ICAO Zone H | | | | | | | | | | | | | |
| Other ICAO Zones | | | | | | | | | | | | | |
| A+D Int. & Dom., incl.: | | | | | | | | | | | | | |
| LBSF | | | | | | | | | | | | | |

| Δ Type of Flights - Actual | J | F | M | A | M | J | J | A | S | O | N | D | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OVFL total, incl.: | | | | | | | | | | | | | |
| ICAO Zone LT | | | | | | | | | | | | | |
| ICAO Zone O | | | | | | | | | | | | | |
| ICAO Zone V&W | | | | | | | | | | | | | |
| ICAO Zones LC, LG, LL | | | | | | | | | | | | | |
| ICAO Zone H | | | | | | | | | | | | | |
| Other ICAO Zones | | | | | | | | | | | | | |
| A+D Int. & Dom., | | | | | | | | | | | | | |

| incl.: | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LBSF | | | | | | | | | | | | | |

**Sources of information:**
Main: BULATSA internal traffic reporting systems.
Auxilliary: EUROCONTROL monthly operational data; ETNA (flights billed)

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.1.2. Service units evolution

| Type of Flights - Plan | J | F | M | A | M | J | J | A | S | O | N | D | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OVFL total, incl.: | | | | | | | | | | | | | |
| ICAO Zone LT | | | | | | | | | | | | | |
| ICAO Zone O | | | | | | | | | | | | | |
| ICAO Zone V&W | | | | | | | | | | | | | |
| ICAO Zones LC, LG, LL | | | | | | | | | | | | | |
| ICAO Zone H | | | | | | | | | | | | | |
| Other ICAO Zones | | | | | | | | | | | | | |
| A+D Int. & Dom., incl. (TNC SU): | | | | | | | | | | | | | |
| LBSF | | | | | | | | | | | | | |

| Type of Flights - Actual | J | F | M | A | M | J | J | A | S | O | N | D | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OVFL total, incl.: | | | | | | | | | | | | | |
| ICAO Zone LT | | | | | | | | | | | | | |
| ICAO Zone O | | | | | | | | | | | | | |
| ICAO Zone V&W | | | | | | | | | | | | | |
| ICAO Zones LC, LG, LL | | | | | | | | | | | | | |
| ICAO Zone H | | | | | | | | | | | | | |
| Other ICAO Zones | | | | | | | | | | | | | |
| A+D Int. & Dom., incl. (TNC SU): | | | | | | | | | | | | | |

| LBSF | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| Δ SU | J | F | M | A | M | J | J | A | S | O | N | D | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OVFL total, incl.: | | | | | | | | | | | | | |
| ICAO Zone LT | | | | | | | | | | | | | |
| ICAO Zone O | | | | | | | | | | | | | |
| ICAO Zone V&W | | | | | | | | | | | | | |
| ICAO Zones LC, LG, LL | | | | | | | | | | | | | |
| ICAO Zone H | | | | | | | | | | | | | |
| Other ICAO Zones | | | | | | | | | | | | | |
| A+D Int. & Dom., incl. (TNC SU): | | | | | | | | | | | | | |
| LBSF | | | | | | | | | | | | | |

**Sources of information:**
Main: BULATSA internal traffic reporting systems.
Auxilliary: EUROCONTROL monthly monitoring of SU; ETNA (flights billed)

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

### 4.2. Geopolitical risk monitoring

The monitoring of the geopolitical risk will be based on the analysis of traffic (operational aspects) and service units (financial aspects) and will also consider news, activities and actions undertaken by the following key stakeholders:

- ICAO
- EASA
- EUROCONTROL (NM)
- FAA
- CAAs/NSAs of relevant states
- States (Russia, Iran, Turkey, etc.)
- Other stakeholders

**Sources of information:** publications made, information circulars, internet news, etc.

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

This task is based on the data from point 4.1. and information under this item, to monitor variance. Variances beyond the 3% threshold is analysed to see drivers of change and assess its longer-term impacts.

### 4.3. ATM (ATC) Staffing; CNS, IT R&D Staffing

4.3.1. Overview of existing ACC ATCOs (FTEs)

**Sources of information:** BULATSA internal staff reporting system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

Subsequent use of the information: the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.3.2. Actions undertaken to employ the ATM/ATC staff numbers included in the revision of the RP2 Performance plan. Outcome as of the end of each quarter.

**Sources of information:**
BULATSA internal staff reporting system
BULATSA registry internal system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.3.3. Actions undertaken to employ CNS/IT, R&D staff numbers included in the revision of the RP2 performance plan. Outcome as of the end of each quarter.

**Sources of information:** BULATSA internal staff reporting system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.3.4. ACC ATCO-hour productivity

| FHC | J | F | M | A | M | J | J | A | S | O | N | D | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ACC | | | | | | | | | | | | | |

**Sources of information:**
BULATSA internal staff reporting system; ATCO rostering reporting system
EUROCONTROL Monthly opertational data

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

## 4.4. Complexity evolution monitoring

| Complexity | J | F | M | A | M | J | J | A | S | O | N | D | Annual average |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Adjusted density (a) | | | | | | | | | | | | | |
| Structural index (b) = (h) + (v) + (s) | | | | | | | | | | | | | |
| - Horizontal interactions (h) | | | | | | | | | | | | | |
| - Vertical interactions (v) | | | | | | | | | | | | | |
| - Speed interactions (s) | | | | | | | | | | | | | |
| Aggregate Complexity (a x b) | | | | | | | | | | | | | |

**Sources of information:**
Main: Eurocontrol PRU data.
Auxilliary: EUROCONTROL NEST data

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

### 4.5. OPEX execution

4.5.1. Staff costs

**Sources of information:**
BULATSA internal accounting reporting system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.5.2. Other operating costs

**Sources of information:**
BULATSA internal accounting reporting system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.5.3. Depreciation costs

**Sources of information:**
BULATSA internal accounting reporting system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.5.4. Cost of capital

**Sources of information:**
BULATSA internal accounting reporting system

**Frequency of reporting:** annually (once a year)

**Verification and comparison of results:** annually (once a year)

**Analysis of the results:** quarterly annually (once a year)

**Risks identified:** quarterly annually (once a year)

**Conclusions made:** quarterly annually (once a year)

**Subsequent use of the information:** the data gathered within the ANSP will be used for the annual reports.

### 4.6. CAPEX execution

This review assesses against projects listed in performance plan (PP). These costs are split into two main groups: Major Projects and Minor Projects.

This review considers the costs of main projects, and timelyness of delivery, as these constitute the main elements of the SES Performance Scheme.

4.6.1. Projects listed in revised PP

**Sources of information:**
BULATSA internal accounting reporting system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.6.2. Common project monitoring - progress made, comments, actions undertaken, report on use of EU funds

**Sources of information:**
BULATSA internal accounting and staff reporting systems

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.6.3. Minor projects listed in revised PP

To be monitored at high-level as total aggregate deliverables in terms of budget utilization.

**Sources of information:**
BULATSA internal accounting reporting system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

### 4.7. AMAN/X-MAN for the new Istanbul airport – strategic project

BULATSA also has a special main project requiring its own review because of complexity. This project is looking to provide the arrival manager for new Istanbul airport. The details of this project require high level oversight as the impact is assessed as high and is shown as a separate activity.

**Sources of information:**
BULATSA internal reporting system

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

Strategically important projects need a separate review due to their impact. The main issue currently fitting these criteria is arrival manager for new Istanbul airport. Its risk affects the whole operation and requires a separate review.

### 4.8. Key Performance Areas (KPAs)

4.8.1. Safety KPA

**Sources of information:**
BULATSA internal safety reporting system
Eurocontrol PRU, PRB and EASA data

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

The reporting takes a different role each quarter. First Quarter it is tracking previous actions and developments and may give early warning of risks that are evident from investigation. Second quarter the output is a formal half year report on safety activity. Quarter Three is again tracking a follow up on actions agreed and overall safety risk, the final quarter is the annual report and safety input for the annual performance management Report which is due each February for validation by EASA.

4.8.2. Capacity KPA

**Sources of information:**
BULATSA internal reporting system;
Eurocontrol PRU and PRB data.

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

This review process is a standalone review mechanism. Regular monitoring on proper timely actions is needed to ensure that supply of capacity is delivered in response to traffic demand, as well as benefits from high-quality service provision are provided to the users in the key airspace of Sofia FIR. This is also essential for the NOP preparation in view of the important role of this document.

4.8.3. Environment KPA

**Sources of information:**
Eurocontrol PRU and PRB data

**Frequency of reporting:** quarterly (4 times a year)

**Verification and comparison of results:** quarterly (4 times a year)

**Analysis of the results:** quarterly (4 times a year)

**Risks identified:** quarterly (4 times a year)

**Conclusions made:** quarterly (4 times a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

4.8.4. Cost-efficiency (to be monitored at annual level)

**Sources of information:**
BULATSA internal accounting reporting systems

**Frequency of reporting:** annually (once a year)

**Verification and comparison of results:** annually (once a year)

**Analysis of the results:** annually (once a year)

**Risks identified:** annually (once a year)

**Conclusions made:** annually (once a year)

**Subsequent use of the information:** the data gathered within the ANSP will be used for the annual reports.

Costs (S, O, D) are monitored regularly over the year, while cost of capital (I) is monitored annually. Preliminary conclusions can be drawn, but assessment of results of cost-efficiency to be done on an annual basis.

4.8.5. Overall assessment of performance addressing all four KPAs - Safety, Environment, Capacity and Costs Efficiency. KPAs analysis shall assess the interdependencies and interactions with each other over the year/reporting period.

**Sources of information:**
All BULATSA internal reporting systems
External reporting systems

**Frequency of reporting:** annually (once a year)

**Verification and comparison of results:** annually (once a year)

**Analysis of the results:** annually (once a year)

**Risks identified:** annually (once a year)

**Conclusions made:** annually (once a year)

**Subsequent use of the information:** the quarterly data gathered within the ANSP and reported subsequently to the NSA will be used for the semiannual and annual reports.

### 4.9. Inflation monitoring

**Sources of information:**
National Statistical Insitute web site, EUROSTAT (HICP)

**Frequency of reporting:** annually (once a year)

**Verification and comparison of results:** annually (once a year)

**Analysis of the results:** annually (once a year)

**Risks identified:** annually (once a year)

**Conclusions made:** annually (once a year)

**Subsequent use of the information:** the data gathered within the ANSP will be used for the annual reports.

Cumulative HICP is monitored monthly. Preliminary conclusions can be drawn, but assessment of results on inflation to be done on an annual basis.

## 5. CONCLUSIONS

Conclusions on the deliveries under the PP are to be contained in each quarterly, semiannual and annual reports.

## 6. COST BASE COMPLIANCE WITH THE REGULATORY FRAMEWORK

This is to be done as an extension and addition of the regular certification ANSP process.

**ANNEX – reporting details per year**

**Year One**

Year One is the first year of the reference period and constitutes the transitional period between reference periods. It picks up at the end of the previous reference period and initiates the activities to transfer costs to the new period. As ATM functions make provisions and accruals within the accounting this transfer is critical to long term cash flow management as debts and surpluses should be tracked over long periods. It also establishes the starting point for measuring the reference period achievements and finally gives early indications on the suitability of the plan and assumptions for the period.

**Year Two**

Year Two is the first formal review of the plan as mid-term review is a healthy process. Thus, year Two should also look at long term trends and indications of achievements. It can also be used for revalidation of key risks and financial plans and assumptions.

**Note:** Year One and Two are listed to complete the picture and were not affected by the revision of the PP.

**Year Three**

Year Three is the final year that changes can be made to ensure achievements in the European Single Sky process. It is at this stage that Cost Exempt and CAPEX issues would be reviewed in depth to ensure delivery, changes or effects of deferments. Prefinancing of ATM is not allowed thus it is essential that CAPEX adjustments in the charging rates are achieved early without substantial cost transfers into the next reference period.

It is also the year in which planning starts for future reference periods. Year Fours and Five are dependent on the decision of the European Commision indicating the length of the reference period.

**Year Four**

Year Four reporting shows the most likely outturn for the reference period and detailed planning starts for the next reference period. Traffic scenarios are tested and key assumptions proven. In case new performance indicators are required then they would need to be tested in this year to ensure that they are robust for targeting in the following reference period.

**Year Five**

The final year of the reference period tracks the outturn and sets the starting position for the next reference period. Tracks the final achievements and calculates transfers to the next reference period for Costs Exempt and if necessary CAPEX.

The final report for the whole reference period is a combined process for year five. Whereas performance management is tracked each year, the year end reporting affects the first year of

the next reference period and is therefore separated as a task. Of significance in this reporting is achievements, cost transfers and CAPEX planning/actuals.

**Annual Review Process**

Each step rolls up information for the following quarter until the year is completed.

Each Year as a part of the annual financial report a separate annual activity report is generated and is published at BULATSA web site.

**Q1 Review**
Review process completed as of 31st March each year one month after closure of Quarter based on gathered data within ANSP.

**Q2 Review (H1 Roll Up)**
After Q1 Review, Roll Up to Q2 from Q1, Q2 reviewed as a separate activity, in parallel. Review process completed as of 30th June each year. Review process completed one month after closure of year half.

**Q 3 Review**
Review process completed as of 30 September, one month after closure of Q3, after Q2 Review (H1 Roll Up), Roll Up to Q2 from Q3, Q3 reviewed as a separate activity, in parallel.

**Q4 Review (Year End Roll Up)**
Review process completed as of 31st December each year. This takes five months to complete and involves audits of accounts. Compilation of year end reports and production of deliverables for NSA.

**Executive Review Meeting**
Data analysed in view of quarterly reports preparation. It considers the reports of the various departments and focuses on risks to the general operation, interdependencies of activity and overall direction. Where necessary it will consider action options to address significant concerns.

**Report to NSA**
Contribution to the NSA AMR, coordinated via the FAB for operational reporting in terms of AMR preparation. The reports need to be compiled by mid-May each year for submission on the EC template no later than 1st June each year.