

Supporting material for the development of RP3 performance plans

**Developed by EY and Helios upon request of the European Commission
Directorate-General for Mobility and Transport (DG MOVE)**

May 2019

This document does not constitute interpretative legal guidance. Its purpose is to facilitate the RP3 performance plan development process at local level through technical guidance and recommendations. The information and views set out in this document are those of the authors and do not necessarily reflect the official opinion of the European Commission.

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Date of release	3 May 2019
Version	V1.0 (FINAL)

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1 Introduction

1.1 Purpose

This document provides supporting material for Member States and national supervisory authorities (NSAs) in respect of the development of performance plans for the Third Reference Period (RP3) of the Single European Sky (SES) Performance and Charging Scheme, in accordance with [Commission Implementing Regulation \(EU\) No 2019/317](#).

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This document covers, in particular, the following provisions of [Commission Implementing Regulation \(EU\) No 2019/317](#), hereafter referred to as the ‘Performance and Charging Regulation’:¹

- Article 10 – Performance plans;
- Annex II – Template for performance plans at national or Functional Airspace Block (FAB) level.

The supporting material also refers to other provisions of the Performance and Charging Regulation which are relevant from the perspective of performance planning and target setting activities.

This document has been developed in conjunction with the RP3 Excel performance plan template² and provides advice to Member States and NSAs for filling out this template. It should be noted that the Excel template is differentiated for national and FAB performance plans. This supporting material encompasses elements pertaining to both national and FAB performance plans, and reference is made to elements specific to FAB performance plans where applicable.³

For each section of this supporting material, references to the relevant sections of the Excel template are provided. Practical instructions for completing the template, including links to the relevant legal references, are provided in the ‘Help’ and ‘Legal Reference’ areas of the template respectively.

1.2 Structure

This document is structured around key topics relating to the development of performance plans and the setting of local performance targets. Each topic is addressed in a specific section, as outlined below:

- Performance plan development and adoption;
- Scope and context of performance plans;
- Traffic forecasts;
- Investments;
- Local performance targets;
- Measures;

¹ Unless otherwise stated, any reference to an Article, Annex or Recital refers to that contained within the Performance and Charging Regulation.

² The final version of the Excel template for RP3 performance plans was released to Member States on 30 April 2019.

³ Depending on the section of the performance plan, Member States need to provide information in either a consolidated tab at national or FAB level, or in separate tabs for each ANSP or charging zone. In the present document, the references to the Excel template always refer to a single tab which may, however, need to be filled out separately for each entity or charging zone concerned.

- Interdependencies and trade-offs between Key Performance Areas (KPAs);
- Cross-border initiatives, SESAR implementation and change management actions;
- Traffic risk sharing parameters;
- Incentive schemes;
- Implementing arrangements.

2 Performance plan development and adoption

This section addresses the procedural aspects related to the development and adoption of performance plans. The relevant regulatory provisions are presented in the boxes below.

It is important to note that the Performance and Charging Regulation distinguishes between the responsibilities incumbent on 'Member States' and those specifically entrusted to 'NSAs'. Where a responsibility is assigned for the 'Member State', the Member State concerned has to determine the relevant authority at national level who will be in charge of fulfilling the requirement. This does not preclude the Member State from assigning these responsibilities to the entity acting as the nominated NSA.

2.1 Development of performance plans

This section provides supporting material as to the development process of performance plans. It is advised that Member States refer to the timeline in Annex A.2 of this document which provides a visual representation of the process and associated responsibilities for the development of draft performance plans, and the subsequent assessment phase.

Article 10(1)

National supervisory authorities shall draw up performance plans, either at national level or at the level of functional airspace blocks.

Annex II – Template for performance plans

1.6. As regards performance plans adopted at the level of functional airspace blocks, description of the process followed to develop and adopt the performance plan.

Member States have the choice to draw up their performance plan at national or FAB level. Each Member State should, therefore, before initiating performance planning and target setting activities, decide on whether they would opt for a national or FAB level performance plan.

As a prerequisite to FAB-level performance plans, all Member States within a FAB should formally agree on the development of the plan at FAB level. In the absence of an agreement between FAB Member States, each Member State concerned will establish a national performance plan.

It should be noted that the relevant NSA or NSAs of each Member State, designated in accordance with Article 4 of [Regulation \(EC\) No 549/2004](#), are responsible for drawing up the performance plan at national level.

Regarding FAB performance plans, the NSAs of the FAB Member States are to jointly develop the performance plan. It is advised that this is done in the framework of a dedicated FAB-level Working Group, steered and chaired by a lead NSA.

Each performance plan should contain the following details in order to confirm the local allocation of responsibilities for target setting and the subsequent monitoring of the performance targets during the reference period:

- Name of the NSA(s) responsible for drafting the performance plan and subsequently for monitoring its implementation. Where several NSAs from the same Member State have

contributed to the performance plan establishment, the applicable division of responsibilities between these authorities should be outlined.

- In respect of FAB performance plans, the Member States concerned should communicate the name of the NSA responsible for the coordination of the performance plan development within the FAB and/or which can act as a focal point towards the Performance Review Body (PRB) and Commission.

Furthermore, according to Annex II point 1.6, FAB performance plans should detail the steps and working arrangements applied within the FAB to develop and adopt the performance plan. This information should be provided in the 'FAB process' tab in the performance plan template and provide more details on the related coordination between the FAB Member States and on the consultation of stakeholders (see Section 2.3).

2.2 Adoption, submission and publication of performance plans

This section provides supporting material as to the adoption, submission and publication of performance plans. It is advised that Member States refer to the flow chart in Annex A.3 of this document which provides a visual representation as to the potential scenarios for Member State(s) to formally adopt a performance plan both prior to, and during, a reference period.

Adoption and submission of draft performance plan

Article 12

Each Member State shall adopt a draft performance plan, as drawn up by the national supervisory authority or authorities concerned at national level or at the level of functional airspace blocks, and submit it to the Commission, at the latest three months before the start of the reference period to which it relates. Where the draft performance plan is drawn up at the level of functional airspace block, after all Member States concerned have adopted that plan, it shall be submitted to the Commission.

The formal adoption of draft performance plans is required because these plans will apply on a transitional basis during the assessment conducted by the Commission. The adoption of the draft performance plans ensures their legal validity during this transitional period.

For both national and FAB performance plans, the draft performance plans prepared by NSAs shall be adopted by the relevant Member State(s). The decisions at Member State level on the formal adoption of (draft) performance plans should be taken in accordance with the applicable national rules and procedures. Member States should ensure that the adopted plans are legally binding documents and enforceable on the regulated entities.

The draft national or FAB performance plans are to be submitted to the Commission at least three months before the start of RP3.

Prior to submission of a performance plan, in the 'Signatories' tab of the performance plan template, Member State(s) should select the 'Status of the performance plan' via the drop-down menu, as well as detail the 'date of issue' and 'date of adoption' of the (draft) performance plan.

The Member State(s) concerned shall also clearly provide confirmation that the performance plan is consistent in scope with [Commission Implementing Regulation \(EU\) No 2019/317](#) and Article 7 of [Regulation \(EC\) No 549/2004](#).

Each new version of the plan, according to the different options set out in the 'Status of the performance plan' drop-down menu (and as visualised in the flow chart in Annex A.1), should be documented in the 'document change record' of the 'Signatories' tab. This will allow both the Member State concerned and the Commission to clearly identify each version of the performance plan.

When submitting the draft performance plan, the NSA responsible are asked to include the following documents on the ESSKY Platform:

- A signed pdf copy of the performance plan;⁴
- The Excel file containing the information that matches the signed pdf copy;
- The relevant Annexes⁵, as listed in the 'Table of Content' section of the template.

The responsibilities described above apply subsequently in the same manner to any revision of the draft performance plan as part of the assessment cycle set out in Articles 14 and 15, or to the revision of a performance plan during the reference period in accordance with Article 18.

Should the Member State be required to take corrective measures in the case that revised targets contained in the revised draft performance plan are not consistent with the Union-wide targets, the Member State concerned shall submit the revised draft performance plan to the Commission alongside details of the corrective measures to be set out in Annex Z to the performance plan.

Adoption of (final) performance plan

Article 16

Each Member State shall adopt and publish its performance plan in one of the following circumstances, as applicable:

- a) after the Commission has adopted a decision in application of Article 14(2), Article 15(2) or Article 15(4);*
- b) after the Commission has adopted a decision pursuant to the second subparagraph of Article 15(7);*
- c) after the Commission has adopted a decision following a request of a Member State or Member States concerned to revise during the reference period performance targets pursuant to Article 18(1), provided that the performance plan is adjusted by the Member State concerned in respect of the revised performance targets.*

After a draft performance plan, a draft revised performance plan, corrective measures, or a performance plan revised during the reference period⁶ has been validated by the Commission pursuant to the assessment procedures set out in the Performance and Charging Regulation, the relevant Member State authority or authorities shall formally adopt the final version of the performance plan without delay after the positive decision of the Commission. The rules on adoption of final performance plans are the same as for the draft performance plans.

Publication of (final) performance plan

The draft performance plans (and any updates / revisions thereof), as well as the final performance plans (including Annexes) adopted by Member States, shall be published online and made available to

⁴ For FAB performance plans, a signature should be provided for each of the Member States concerned.

⁵ It should be noted that the completion of some Annexes is mandatory; others are optional depending of the status of the performance plan and the local context.

⁶ Referred to in Article 18(1) of Implementing Regulation (EU) No 2019/317.

all stakeholders concerned. For national plans, this could be on the Ministry of Transport or national Civil Aviation Authority (CAA) website. For FAB plans, this could be the website of each relevant national authority and the website of the FAB concerned.

Mapping with Excel template for RP3 performance plans

Supporting material	Excel template
Submission of draft performance plan	'Signatories' tab
Submission of Annexes to draft performance plans	'Table of Content' tab (Section 7)
Process followed to develop and adopt a FAB performance plan	Tab 1.6 (FAB plan only)
Corrective measures	Annex Z

2.3 Stakeholder consultation on draft performance plans

Introduction

Article 10(4)

In accordance with Article 10(1) and point (b) of Article 11(3) of Regulation (EC) No 549/2004, national supervisory authorities shall consult air navigation service providers, airspace users' representatives and, where relevant, airport operators and airport coordinators on the draft performance plans, including on the performance targets and incentive schemes contained therein.

Annex II – Template for performance plans

1.3. Description of the outcome of the stakeholder consultation on the draft performance plan, including the points of agreement and disagreement as well as the reasons for any such disagreement.

NSAs are responsible for the consultation of stakeholders on draft performance plans, including but not limited to the performance targets and incentive schemes they contain. All NSAs shall thus hold a consultation in respect of the development and adoption of draft performance plans in accordance with Article 12. This also applies to each potential revision of a draft performance plan (in accordance with Article 14 or Article 15) and performance plan during the course of a reference period (in accordance with Article 16).

Date(s) and details of consultation(s)

In accordance with point (n) of Article 3, the PRB will maintain and support in the coordination of a stakeholder consultation calendar concerning performance plans and consultation requirements referred to in Article 24(2) and (3) and in Article 30.

NSAs should therefore **inform the PRB of their proposed consultation date(s)** as soon as these dates have been set, preferably at least four weeks in advance of the proposed consultation meeting. The proposed consultation date(s), and details of the consultation(s), should be entered online by clicking on 'Create a new event' in the calendar found in the 'Events' tab of the [EU Single Sky website](#).

When submitting the planned date of the consultation to the PRB online calendar, NSAs should provide the following details:

- Content of the consultation – please mention whether it covers the elements laid out in Article 10(4), Article 24(2), Article 24(3), Article 30(1) of the Performance and Charging Regulation, or a combination.
- Date of the consultation, including starting and ending time.
- Location of the consultation
- Contact details, and details on how to register for the consultation.
- Explanations on how to access the documentation related to the consultation.

Stakeholders to be consulted

The entities to be invited to the consultation(s) on draft performance plans shall comprise, at least, the relevant ANSP(s) and airspace user (AU) representatives. The latter may include (but not be limited to) airline associations, individual airlines, military AUs, representatives of general aviation, representatives of business aviation etc.

In addition, NSAs shall ensure that airport operators, airport coordinators and professional staff representative bodies have the opportunity to comment on the draft performance plan either through participation in the consultation meeting itself or, where deemed more appropriate, through consultation in writing. It is advised that written comments are collected by the lead NSA responsible for submitting the performance plan to the Commission.

Principles for consultation

The consultation on draft performance plans should adhere to the following principles:

a) Complete information should be provided to stakeholders not later than three weeks before the consultation

The information distributed to the consulted entities should enable them to understand the rationale and justifications underpinning the proposed performance plan. The information to be provided should also cover the specific consultation requirements of ANSPs and AUs as referred to in table 1.3.2 of the performance plan template, as applicable.

b) NSAs should detail the overall outcome of the consultation in the performance plan

The NSA should in particular sum up the main topics or points raised by stakeholders in the course of the consultation process and explain how they addressed the main comments received and took these into account in the development of the performance plan. It is also important to highlight in this section the points on which divergent opinions between stakeholders were observed, and how the NSA has ensured a balanced approach between these conflicting views.

c) NSAs should detail outcomes of the consultations with each stakeholder group

The purpose is to provide a more detailed view on the opinions and feedback provided by each main stakeholder group in respect of the draft performance plan. A separate table should be filled out for each of the following stakeholder groups: ANSPs, AUs, professional staff representative bodies, airport operators (where relevant), airport coordinators (where relevant).

Where appropriate, tables may also be filled out for other stakeholder groups to be identified by the NSA.

The information provided should in particular describe the main issues discussed as well as the presentation of resulting actions where applicable. The main points of disagreement between the NSA and the stakeholders concerned should be identified – it is essential for the NSA to appraise each of these points separately and to outline the reasoning behind its disagreement with the stakeholder group concerned.

d) NSAs should detail whether specific consultation requirements for stakeholders have been addressed

The performance plan should also place a focus on the outcome of the stakeholder consultation in respect of specific requirements pertaining to the performance plan development. These include both requirements applicable to all performance plans, and requirements applicable in specific local circumstances (in particular where a Member State has opted for the implementation of an optional legal provision as part of its performance plan):

- Traffic forecasts;
- Charging policy⁷;
- Incentives scheme
- Charging zones, cost bases
- Traffic risk sharing
- Simplified charging scheme
- Major investments

The purpose of this consultation requirement is to outline the results of the consultation process on the specific points identified, and to point out the possible changes introduced in the performance plan as a result of these consultations.

For a national plan, the NSA is required to select in the drop-down menu in Table 1.3.2 whether each listed optional legal provision concerns their State. For a FAB performance plan, the NSAs concerned will be required to determine whether the optional legal provision will be applied to all FAB Member States, some FAB Member States, or no Member States at all.

e) NSAs should make available the complete information used for consultation purposes and the records of discussion of each formal consultation meeting.

To ensure transparency and due process, NSAs should list the attendees who participated in the consultation, establish a record of discussion of each meeting, and register all stakeholder views received in writing through a comment log.

These documents should be published and communicated to the entities who took part in the consultation. This shall be done without delay, before the submission of the draft performance plan to the Commission. These documents should be subsequently attached as Annexes to the draft performance plan.

⁷ Charging policy includes, inter alia, the timing of adjustments to unit rates and cross-financing between terminal charging zones. It can also be considered to cover, where applicable, the (intended or already applied) implementation of a modulation mechanism of air navigation charges within the meaning of Article 32 of the Performance and Charging Regulation.

Consultation documents to be annexed to performance plan

NSAs are advised to annex the following complementary elements to the draft performance plan:

- Key consultation materials (e.g. presentations made at consultation meetings)
- The summaries of the outcome of the main consultation meetings
- Written correspondence or comments received from the relevant stakeholders (where the stakeholders concerned have consented to the publication of these materials)

Mapping with Excel template for RP3 performance plans

Item	Excel template
Stakeholder consultation	Tab 1.3
Point (b) above – overall outcome of consultation	Table 1.3.1
Point (c) above – outcomes of consultations with each stakeholder group	Table 1.3.3
Point (d) above – specific consultation requirements of stakeholders	Table 1.3.2
Complementary information on consultation	Annex C

2.4 Verification of completeness of draft performance plans

Article 13

1. The Commission shall verify whether the draft performance plans submitted by Member States in accordance with Article 12 contain all the elements needed to assess compliance with the requirements listed in Article 10(2) and 10(4) and, where applicable, Article 10(3) and 10(5).

2. Where the Commission finds, after having carried out the verification referred to in paragraph 1, that one or several elements are missing, it shall, within one month from the date of receipt of the draft performance plan, request the Member State or Member States concerned to provide an updated draft performance plan, containing the missing element or elements.

In that case, the Member State or Member States concerned shall submit the updated draft performance plan to the Commission without undue delay and in any event within three weeks from the date of the Commission's request.

3. The Commission shall start the assessment referred to in Article 14 of the draft performance plan upon the finding, after having carried out the verification referred to in paragraph 1, that the draft performance plan contains all required elements, or upon the receipt of the updated draft performance plan referred to in paragraph 2, as applicable.

In accordance with Article 13, draft national and FAB performance plans will be subject to a verification of completeness check following their submission to the Commission. The Commission will not proceed with the formal consistency assessment of local performance targets contained in a draft plan unless that plan is found to contain all the information required under Article 10.

Therefore, draft performance plans are to provide adequate and comprehensive information in accordance with Annex II – this includes the demonstration of sufficient evidence of stakeholder consultation with ANSPs and AUs representatives.

NSAs are advised to conduct an internal verification of completeness check at least two weeks prior to the submission of the draft performance plan to the Commission. This will allow sufficient time for missing elements to be addressed, prior to the Commission's verification of completeness check.

Where NSAs identify missing elements in a draft performance plan, it should take action to gather any additional information needed and to develop the content required for the draft performance plan.

Where, after the submission of a draft performance plan, an NSA is notified by the Commission of missing elements in that plan, it shall within three weeks provide the required update of the plan to the Commission.

3 Scope and context of performance plans

This section addresses the required scope and context of a performance plan. The relevant regulatory provisions are presented in the boxes below.

3.1 Scope in terms of services, airspace and charging zones

In accordance with point 1.1. of Annex II of the Performance and Charging Regulation, NSAs should specify the following information in their performance plans:

Annex II – Template for performance plans

1.1. Description of the situation, including scope of the plan in terms of geographical coverage and services, list of air navigation service providers covered and other general information relevant to the performance plan.

List of ANSPs and geographical scope of services

The performance plan should include a list of all the regulated air navigation service providers (ANSPs) and detail the type of service (ATS, CNS, MET, AIS) they provide. NSAs shall specify whether the ANSPs included in the scope of the performance plan are providing either en route or terminal services (or both).

NSAs are required to specify the geographical scope of services covered by the performance plan. This should include information on the Area of Responsibility (AoR) of the en route ANSP(s) and information on the relevant airports for terminal ANS.

NSAs shall also provide information on the cross-border services delivered by the ANSP(s) in the scope of the performance plan and subject to performance targets. Such cross-border arrangements shall be separately identified and described in terms of services and geographical scope (i.e. Flight Information Region). NSAs shall present any existing arrangements where an ANSP established in another Member State is providing services in the airspace concerned.

Where a FAB performance plan is concerned, the airspace covered by the performance plan shall in principle cover the whole FAB airspace within the territory of Member States. In respect of Third Countries taking part in a FAB and being part of the Common Aviation Area with the EU, the performance plan should apply subject to the legal applicability of the Performance and Charging Regulation to the Third Countries concerned.

Other entities

The inclusion of authorities or entities incurring eligible costs in the scope of the performance plan is governed by the final subparagraph of Article 1(2).

Accordingly, competent authorities (e.g. NSAs) or qualified entities (where applicable) are also subject to the performance target setting in the KPA of cost-efficiency, where the determined costs of these authorities or entities are included in the cost base(s) chargeable to AUs. The determined costs stemming from Eurocontrol are also in the scope of the performance plan where the Member State concerned intends to recover these costs from users through route charges.

In the case of a FAB performance plan, the list of entities covered shall be detailed on a country-specific basis.

Charging zones

Member States shall specify the en route and terminal charging zones that are comprised in the scope of the performance plans.

It should be noted that those charging zones have to be formally established by the Member State(s) concerned before the start of the reference period. In accordance with the third subparagraph of Article 21(1), Member States shall **formally inform the Commission** on the charging zones in case of the establishment of a new charging zone or in case of modification of existing charging zone(s) at the latest seven months before the start of the reference period (i.e. by 1 June 2019). This information should also be **communicated to STATFOR** for any implications on the traffic forecast for the charging zones concerned.

Member States shall ensure that the geographical scope of charging zones is clearly defined and that these charging zones are consistent with the provision of air navigation services (ANS).

Other information relevant for performance plan

In order to substantiate the description of the performance plan's scope, NSAs may provide additional contextual information on the local situation or circumstance that is of direct relevance for the development or implementation of the performance plan.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Scope in terms of services, airspace and charging zones	Tab 1.1
List of ANSPs and geographical scope of services	Table 1.1.1
Other entities	Table 1.1.2
Charging zones	Table 1.1.3
Other information relevant for performance plan	Table 1.1.4

3.2 Scope in terms of airports

Annex II – Template for performance plans

1.4. List of airports subject to the performance and charging scheme, with their average number of IFR air transport movements per year.

NSAs shall identify the airports which are included in the scope of the Performance and Charging Scheme pursuant to Article 1(3) and, where applicable, Article 1(4).

List of airports $\geq 80,000$ IFR movements per year

In accordance with Article 1(3), NSAs should list the airports that have more than 80,000 IFR movements per year and which are mandatorily included in the scope of the performance plan. In accordance with Article 2(10), the number of IFR movements is defined as the sum of take-offs and landings performed under IFR and calculated as the yearly average over the three calendar years preceding the performance plan submission. In the performance plan, NSAs should also specify to which terminal

charging zones these airports relate to, and detail the average IFR movements in the years 2016 to 2018.

Other airports added on a voluntary basis

In accordance with Article 1(4), Member States may also decide, on a voluntary basis, to include airports with less than 80,000 IFR movements under the scope of the Performance and Charging Regulation. The airport name and ICAO airport code should be listed in the performance plan.

The decision of the Member State to include airports on such a voluntary basis should be **communicated to the Commission as soon as possible** in accordance with Article 1(6).

Where a Member State decides to apply the Performance and Charging Regulation to terminal ANS at one or several airports with fewer than 80,000 IFR movements per year, this implies that those airports are by definition part of performance target setting for the reference period concerned. This requires local performance targets on terminal capacity and terminal cost-efficiency to apply to those airports – guidance on setting the local targets for the relevant KPIs is provided in Sections 6.3 and 6.4 respectively.

Additional note: It should be noted that the voluntary inclusion of an airport in the scope of the Performance and Charging Regulation also entails that those airports are included as part of performance monitoring during the reference period, unless otherwise stated in Section 2 of Annex I. The applicability of indicators for monitoring to terminal ANS in the scope of the performance plan is outlined in a table in Annex A.4 to this document.

Mapping with Excel template for RP3 performance plans

Item	Performance plan template
Scope in terms of airports	Tab 1.4
List of airports \geq 80,000 IFR movements per year	Table 1.4.1
Other airports added on voluntary basis	Table 1.4.2

3.3 Notifying exemptions concerning market conditions

Annex II – Template for performance plans

1.5. Where applicable, list of services the provision of which has been established to be subject to market conditions in accordance with Article 35.

General principles

Where applicable, in accordance with Article 35, the NSA concerned shall set out in the performance plan the list of services which are subject to market conditions.

Before the start or during a reference period, a Member State may decide that the provision of some, or all, of the terminal ANS, CNS, MET, AIS services or air traffic management ('ATM') data services provided in their charging zones are subject to market conditions.

If a Member State has completed all the steps outlined in Article 35(3) to deem that market conditions are present (and it has obtained the Commission’s agreement for this), in accordance with Article 35(3), Member State(s) shall not apply the provisions of the RP3 Performance and Charging Regulation.

It is important to note that, although services provided under market conditions are exempted from provisions related to performance planning and target setting in the KPA of cost-efficiency, they remain subject to performance planning and target setting in the other KPAs of safety, capacity and environment.

Where market conditions are revoked during a reference period, the Member State concerned shall revise its performance plan in accordance with Article 18(1) including as regards the reapplication of cost-efficiency targets regarding the services concerned.

Specific information required for performance plan

Should market conditions be present, NSAs should provide the following information:

- A list of the services subject to market conditions (e.g. terminal ANS, CNS, MET, AIS and ATM data services)
- The charging zone to which the service applies to
- The geographical scope of the service(s) – the en route or terminal airspace concerned should be detailed. For terminal ANS, the airport(s) concerned should be specified.
- Reference to the intended decision and assessment report of the Member State concerned to apply market conditions, in accordance with Article 35(3) point (c).
- Reference to the agreement of the Commission (i.e. relevant Commission Decision) confirming that the provision of the services concerned is subject to market conditions, in accordance with Article 35(3) point (d).

Mapping with Excel template for RP3 performance plans

Item	Excel template
Notifying exemptions concerning market conditions	Tab 1.5

3.4 Notifying application of a simplified charging scheme

This section addresses the procedural aspects related to the application of the simplified charging scheme. The key provisions relating to this topic are presented in the box below.

Annex II – Template for performance plans

1.7. Indication whether or not the simplified charging scheme referred to in Article 34 applies and if so, a demonstration that the conditions set out in that Article have been met as well as a description of the application of the simplified charging scheme and of its scope in terms of charging zones covered.

General principles

Member States have the choice to apply the general charging provisions set out under the Performance and Charging Regulation or a simplified charging scheme as set out under Article 34.

It should be noted that the simplified charging scheme is applied at national level. Therefore, where a FAB performance plan is established, it is necessary to specify how many Member States (if any) in the FAB intend to apply the simplified charging scheme – information on application of this scheme should, accordingly, be provided individually for each of the Member States concerned.

As outlined in Article 34(2), a simplified charging scheme can only be applied if certain conditions are met:

- Local targets in the draft performance plan are consistent with the Union-wide performance targets. Member States should refer to the consistency criteria for assessing local targets in Annex IV Section 1.
- Performance targets in the KPAs of safety, capacity and environment have been met in the three years before the adoption of the draft performance plan. As RP2 local targets for safety, capacity and environment were set at FAB level, **a simplified charging scheme can only be applied if the FAB (of which the Member State concerned is a part of), as a whole, has met all performance targets** as specified under point (b) of Article 34(2).
- The performance plan includes an incentive scheme on capacity targets, as required under Article 11.
- ANSPs and AUs concerned have been consulted on the intended decision to apply a simplified charging scheme. Consultation must take place with AUs representing at least 65% of the IFR flights operated in the airspace concerned.

Once stakeholders have been consulted and an agreement to apply the simplified charging scheme has been made, Member State(s) will be required to provide the following information in the draft performance plan:

Scope of the simplified charging scheme

- Describe the application of the simplified charging scheme.
- List the number or charging zones affected, and the name of the charging zone(s) and ANSP(s) concerned.

Conditions for the application of the simplified charging scheme

- Specify how the conditions of Article 34(2) have been met. In particular, the Member State concerned should demonstrate how performance targets in the KPAs of safety, capacity and environment have been met in the three years before the adoption of the draft performance plan (i.e. detailing the FAB-level target against the actual performance for the years 2016-2018 inclusive).
- As regards to point (d) of Article 34(2), NSAs should provide further details in the 'Stakeholder consultation' section of the performance plan on the consultation with AUs' representatives and ANSPs on the decision to apply a simplified charging scheme.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Notifying application of a simplified charging scheme	Tab 1.7
Scope of the simplified charging scheme	Table 1.7.1
Conditions for the application of the simplified charging scheme	Table 1.7.2
Justification for simplified charging scheme	Annex L

4 Traffic forecasts

This section outlines the requirements applicable in respect of the traffic forecasts to be set out in a performance plan. The relevant regulatory provisions are presented in the text box below.

Annex II – Template for performance plans

1.2. Traffic forecasts referred to in points (f) and (g) of Article 10(2) expressed in IFR movements and in service units underpinning the performance plan based on Eurocontrol's Statistics and Forecast Service (STATFOR) base forecasts. Where the forecasts differ from the STATFOR base forecasts, the reasons that justify the use of a different forecast referred to in points (f) and (g) of Article 10(2) and a justification for the use of these forecasts shall be documented.

Article 10(2) last subparagraph

(...) national supervisory authorities may decide to use other en route and terminal traffic forecasts than those based on Eurocontrol's STATFOR base forecast. In that case, they shall consult the airspace users' representatives and air navigation service providers concerned and set out the reasons for using the other forecasts in the performance plan. Any differences with the Eurocontrol's STATFOR base forecast shall be related to specific local factors not sufficiently addressed by Eurocontrol's STATFOR base forecast. The same forecasts shall be used for all key performance areas.

4.1 Principles for establishing traffic forecasts

Pursuant to points (f) and (g) of Article 10(2) of the Performance and Charging Regulation, Member State(s) shall set out the relevant en route and terminal traffic forecasts in their draft performance plans. These two forecasts shall be expressed in terms of both IFR movements and service units, and shall cover each calendar year of the reference period. It is advised that these forecasts are based on Eurocontrol's Statistics and Forecasts Service (**STATFOR**) **base forecast**.⁸

However, the last subparagraph of Article 10(2) allows Member States to **deviate** from the STATFOR base forecast in respect of the en route and/or terminal traffic assumptions applied in the performance plan. Where a Member State intends to use a local forecast deviating from STATFOR base, the possibility to apply this option remains subject to conditions.

In particular, any deviation from STATFOR base should be strictly **related to specific local factors** which the Member State concerned considers to be insufficiently taken into account by STATFOR. Member States are required to provide in their performance plan the reasons justifying their decision to apply such an alternative forecast. In addition, they are required to consult AU representatives and the ANSP(s) concerned on the proposed alternative traffic forecast or forecasts as detailed in Section 2.3.

The Performance and Charging Regulation requires the same traffic forecasts to be used for all KPAs to ensure that local performance targets are based on a consistent set of traffic assumptions.

4.2 Practical considerations for setting RP3 traffic forecasts

When setting traffic forecasts for RP3 performance plans, NSAs should take into account the practical considerations outlined in this sub-section.

Pursuant to Annex VIII, the methodology for calculating en route service units will change from 1 January 2020 onwards. Accordingly, the distance factor for the calculation of en route service units will be based

⁸ The STATFOR forecast publications relevant for performance planning purposes are the seven-year forecasts covering IFR flights and en route and terminal service units.

on actual route flown as recorded by the Network Manager. This is a change from the methodology based on the last filed flight plan which is in application until the end of RP2.

It is necessary to consider the transition to the new charging mechanism during the setting of traffic forecasts in the RP3 performance plan. As a result, the following principles should be adhered to when developing the RP3 performance plan:

- The historical data as regards actual service units recorded during the RP2 timeframe (or before RP2), as well as the traffic forecast with regard to calendar year 2019, should be **expressed in accordance with RP2 provisions** (i.e. en route service units should be based on the **last filed flight plan** methodology set out in point 1 of Annex IV of Implementing Regulation 391/2013).
- The traffic forecast for the RP3 timeframe (calendar years from 2020 to 2024 inclusive) should be **based on the RP3 charging mechanism reflecting actual routes flown** (set out in point 1 of Annex VIII of Implementing Regulation (EU) No 2019/317).
- The 2019 local baseline value for the determined unit cost (DUC) should be calculated using a traffic forecast (for year 2019) established on the basis of the **RP3 charging mechanism** based on the actual route flown. This is to ensure the coherence between the baseline value and the en route cost-efficiency targets.⁹

STATFOR has published in February 2019 its long-term traffic forecast covering RP3.¹⁰ This document provides the STATFOR February service unit forecasts for the period 2020-2024 adjusted by the estimated adjustment factor calculated by the Eurocontrol Central Route Charges Office (CRCO) to reflect the change in charging based on actual flown route, calculated for the three months of April 2018, July 2018 and October 2018 taken together. An update of the estimated adjustment factor calculated by the CRCO to reflect the change in charging based on actual flown route, calculated for a full calendar year, will be made available in May 2019.

4.3 Update of traffic forecasts in connection with performance plan revisions

Where a Member State is required, following the assessment conducted by the Commission under Articles 14 or 15, to revise the en route cost-efficiency targets contained in its draft performance plan, this revision should include, where appropriate, the update of the relevant STATFOR base forecast or of the alternative local forecast underpinning those targets.

Where a Member State requests a revision of its performance plan during a reference period in accordance with Article 18(1), it shall use the **latest available STAFOR base forecast** as a basis for the revision, notwithstanding the possibility to use an alternative traffic forecast subject to justification.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Definition of traffic forecasts	Tab 1.2
Complementary information on traffic forecasts	Annex D

⁹ The baseline value provides the starting point for the setting of cost-efficiency targets. The detailed methodology for the setting of baseline values has been outlined in the PRB report setting their updated advice to the Commission on RP3 Union-wide targets.

¹⁰ Eurocontrol Seven-Year Forecast February 2019, Annex 4 – Preparation of the service units forecast for RP3.

5 Investments

This section concerns the inclusion of information on investments in performance plans. The relevant regulatory provisions are presented in the text box below.

Annex II – Template for performance plans

*2.1. Description and justification of the costs, nature and benefits of **new and existing investments** in fixed assets planned over the reference period.*

2.2. The information referred to in point 2.1 shall include in particular:

(a) the determined costs of new and existing investments in respect of depreciation, cost of capital and cost of leasing over the whole reference period and in respect of each calendar year thereof, as required in Annex VII;

*(b) description and justification of the **major investments**, including with regard to the following elements:*

(...)

(c) detail of synergies achieved at the level of functional airspace blocks or, through other cross-border cooperation initiatives as appropriate, in particular in terms of common infrastructure and common procurement.

In respect of investments, the Performance and Charging Regulation differentiates between the following two concepts which have to be duly addressed in the performance plans:

- **‘New and existing investments’** which cover the acquisition, development, replacement, upgrade or leasing of fixed assets where depreciation costs, cost of capital, or in the case of leasing, operating costs, for that investment are incurred during the reference period covered by the performance plan (Article 2(15)).
- A **‘major investment’** which refer to any investment in fixed assets of a total value of at least 5 million EUR (Article 2(13)).

The concept of ‘new and existing investments’ entails that a distinction should also be made between ‘new’ and ‘existing’ investments. As a general rule, **‘existing investments’** should be understood to relate to assets which have already **entered into operation by the date of submission of the draft performance plan**, whilst **‘new investments’** relate to assets which are planned to **enter into operation after the date of submission of the draft performance plan**.

A major investment may be either an existing or a new investment, depending on its date of entry into operation. However, for the purpose of the performance plan which is, by definition, a forward-looking document, the focus is placed on the foreseen new major investments as highlighted below in sub-Section 5.2 below.

In the performance plan, investments should be presented separately for each ANSP concerned (each in a separate tab in the performance plan). Complementary information is to be annexed to the performance plan, as appropriate.

5.1 Overview of new and existing investments

In accordance with point 2.2(a) of Annex II, NSAs should provide in the performance plans full transparency on the determined costs of new and existing investments in respect of the **acquisition, development, replacement, upgrade or leasing of fixed assets** over the reference period, broken down per calendar year. Major investments should be detailed and justified, as well as consistent with SESAR deployment and with expected performance benefits.

The NSA should request the ANSP concerned to provide the data required for this purpose. The NSA should ask for information on the assumptions underlying the provided data and should seek to clarify any ambiguities or inconsistencies with the ANSP before incorporating the data in the draft performance plan.

The overview of new and existing investments should be provided in a consolidated table covering the elements specified below:

1. **Identification of each new major investment** planned to be realised in the course of the reference period covered by the performance plan. The information on each of these new major investments (above 5M EUR) shall include:
 - **Total value of the asset:** The NSA should specify the total value of each new major investment, expressed in local currency (and in nominal terms). It is important to note that the total value of a 'major investment' is considered over the whole lifetime of the fixed asset concerned (i.e. not only in relation to the determined costs incurred during the reference period covered by the performance plan). The value should be inclusive of non-recoverable VAT and of any fees incurred for the purchase or leasing of the asset concerned.
 - **Value of the asset allocated to the charging zones in the scope of the performance plan:** If applicable, the NSA should deduct from the total value of the asset any share allocated to charging zones outside of the scope of the performance plan and/or other activities.
 - **Breakdown of determined costs per calendar year:** For each year of the reference period, the NSA shall provide the determined costs related to the major investment, presented as a total of depreciation costs, cost of capital or leasing costs for all the charging zones in the scope of the performance plan.
 - **Amortisation period:** The NSA shall specify the expected operating life of the asset, defined as a number of years, which will determine the calculation of depreciation costs and of the cost of capital. In the case of leasing, the operating life should correspond to the length of the leasing contract.
 - **Allocation between en route and terminal services:** The NSA shall spell out, in percentage terms, the allocation of the determined costs between the en route and terminal services **as regards the charging zones in the scope of the performance plan**. Where the Member State concerned has no terminal charging zone included in the scope of the performance plan, 100% of the determined costs are allocated to en route services. See Section 6.4 for further supporting material regarding cost allocation.
 - **Sub-totals for all new major investments** should be presented as regards the total values of the assets, the values of the assets allocated to the charging zones in the scope of the performance plan, and the related determined costs per calendar year.
2. **Aggregated data on all other new investments** (i.e. aggregation of new investments which have a total value of less than 5 million EUR) as regards: total aggregated value of the assets financed by other new investments, total aggregated value of these assets allocated to the charging zones in the scope of the performance plan, and aggregated determined costs per calendar year for these investments.
3. **Aggregated data on the costs of all existing investments:** i.e. aggregation of all existing investments which have entered into operation before the date of submission of the draft performance plan and for which depreciation costs will continue to be incurred in the reference period covered by the performance plan.

4. **Total of all new and existing investments for the ANSP concerned**, aggregating the data presented under points 1, 2 and 3 above. The totals for the ANSP should be consistent with the data reported in Reporting Table 1 of Annex VII (sum of lines 3.10-3.12 inclusive) when aggregated for all the relevant charging zones.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Summary of investments	Table 2.1.1

5.2 Detailed description of new major investments

In accordance with point 2.2(b) of Annex II, NSAs shall provide detailed information concerning the asset(s) financed by each new major investment that is foreseen to enter into operation after the date of submission of the performance plan, including in respect of their nature, use, timeline for the purchase and entry into operation.

As regards major investments in new ATM systems, NSAs shall specify whether these investments consist of the acquisition of new ATM systems, of the overhaul of existing systems, or of the replacement of existing systems (replacement investments). Replacement investments may consist of the repair of existing assets to ensure continued service provision, or may consist of the upgrade of existing assets with a view to enhancing existing capacity or service-quality levels.

NSAs shall indicate, for each new major investment, whether that investment is carried out through a joint investment / partnership at ANSP level and, where applicable, describe the cooperative arrangements in place. It is also important to outline the relevance of each investment with reference to the European ATM Master Plan and common projects referred to in Article 15a of [Regulation \(EC\) No 550/2004](#).

NSAs should specifically indicate whether or not each new major investment is mandated by SES legislation.¹¹ If so, reference should be made to the specific Regulation concerned and, if funded through Union assistance programmes, to the relevant grant agreement. The benefits to AUs, in quantitative terms, should also be identified.

If a new major investment is not mandated by SES legislation, NSAs should further describe the foreseen performance impacts of that investment. The impacts should be identified at ‘network’ and/or ‘local’ level, unless the investment is ‘non-performance’ related (in which case it is considered not to have a direct performance impact). The aforementioned impact levels are defined below:

- **Network** – this category is associated with a performance impact at network level. This can be the case for investments related to the implementation of the ATM Master Plans which are not mandated by SES legislation or recommendations from the Network Manager.
- **Local** – this category is associated with a local performance impact per ANSP within the Member State concerned (e.g. a major investment that will have a direct impact on capacity provision by an ANSP).
- **Non-performance** – this category is associated with investments that will not have a direct impact on local or network performance (e.g. purchase of a new administrative building).

¹¹ For example, [Commission Implementing Regulation \(EU\) No 716/2014](#) (the Pilot Common Project Regulation) and implementing rules stemming from [Regulation \(EC\) No 552/2004](#) (the Interoperability Regulation).

NSAs are requested to detail the level at which performance impacts are expected to be accrued. NSAs are to explain, in quantitative terms, the impacts and benefits expected for the major investment within the four KPAs.

Information on the consultation of users on all major investments and on the related feedback should be included in the 'Stakeholder consultation' section of the performance plan.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Detailed description of new major investments	Table 2.1.2
Stakeholder consultation	Tab 1.3
Complementary information on investments	Annex E

5.3 Other new and existing investments

Each NSA should describe and justify the costs, nature and benefits of **other new and existing investments** in fixed assets¹². In particular, NSAs are advised to focus on the description and justification of the **existing major investments**¹³ which are deemed to have the highest significance in terms of operational or financial impact. This includes, but is not limited to, investments in new ATM systems or overhauls of existing systems. The information should include costs and updated benefit estimates (including based on early deployments, where applicable).

Mapping with Excel template for RP3 performance plans

Item	Excel template
Other new and existing investments	Table 2.1.3
Complementary information on investments	Annex E

¹² This refers to investments **other than the new major investments**, which should be detailed as indicated in Section 5.2 above.

¹³ These are assets that entered into operation before the date of submission of the draft performance plan. The major investments to be presented here are those which continue to be depreciated during the reference period covered by the performance plan.

6 Local performance targets

This section provides supporting material concerning the establishment of local performance targets relating to the KPAs of safety, capacity, environment, and cost-efficiency. This section also addresses the possible setting of additional targets by NSAs in accordance with Article 10(3) of the Performance and Charging Regulation.

This section covers the following provisions of Annex II of the Performance and Charging Regulation:

- Point 3.1: National performance targets or FAB performance targets in each KPA;
- Point 3.3: Additional information required to substantiate national performance targets or FAB performance targets;
- Point 3.4: Specific requirements concerning the breakdown of performance targets established at FAB level, in the KPAs of capacity and environment.

It is important to note that the definition of measures to achieve performance targets and the related information required in the performance plan are covered separately in Section 7 of this supporting material.

6.1 Safety KPA

KPI on the Effectiveness of Safety Management

The local level Key Performance Indicator (KPI) on the Effectiveness of Safety Management (EoSM), referred to in point 1.1 of Section 2 of Annex I, reflects the minimum level of the EoSM to be achieved by ANSPs. This KPI measures the level of implementation of the following safety management objectives:

- safety policy and objectives
- safety risk management
- safety assurance
- safety promotion
- safety culture

NSAs shall ensure consistency between the local targets and the Union-wide targets defined in accordance with point 1.1 of Section 1 of Annex I.¹⁴

In accordance with point 1.1 of Annex IV, consistency is deemed to be achieved, where for each year of the reference period, the level of EoSM is equal to or higher than the Union-wide target, in corresponding year of the reference period.

The key principles for local target setting in respect of the EoSM KPI are presented below.

¹⁴ Refer to Commission Decision on Union-wide targets for RP3 which received a positive opinion by the Single Sky Committee on 1 April 2019.

Setting of local performance targets – safety

Local targets on the EoSM KPI shall be set at the level of ANSPs. Target values shall be calculated for the whole calendar year and for each year of the reference period. The target value shall be broken down per management objective. In RP2, EoSM targets were expressed as scores ranging from A to E, where 'A' represented the lowest score and 'E' represented the highest score.

For RP3, it should be noted that the measurement of the EoSM KPI is to be based on the Civil Air Navigation Services Organisation (CANSO) Standard of Excellence. The detailed methodology for the RP3 EoSM KPI and for setting the related local performance targets will be detailed in EASA's acceptable means of compliance (AMC) and guidance material (GM). These materials are expected to be issued in June 2019.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Safety KPA	Tab 3.1
Justifications for local safety targets	Annex O

6.2 Environment KPA

KPI on horizontal en route flight efficiency of the actual trajectory (KEA)

The local KPI on the horizontal en route flight efficiency of the actual trajectory (KEA), referred to in point 2.1 of section 2 of Annex I, is calculated as an average for all IFR flights within or traversing the local airspace¹⁵. This KPI is computed as the ratio between the length of the en route part of the actual trajectory and the achieved distance¹⁶.

For the purpose of this KPI, distance flown outside the circle of 40NM around the origin and destination airports is excluded from the calculation. Actual trajectories are measured on the basis of collected surveillance data.

NSAs shall ensure consistency between the local targets and the Union-wide targets defined in accordance with point 2.1 of Section 1 of Annex I.¹⁷

In accordance with point 1.2 of Annex IV, consistency is assessed by comparing the national performance targets or FAB performance targets with the en route horizontal flight efficiency reference values set out in latest version of the European Route Network Improvement Plan available at the time of adoption of the Union-wide performance targets. A justification needs to be provided in the performance plan in case of inconsistency.

The key principles for local target setting in respect of the KEA KPI are presented below.

¹⁵ The local airspace is understood as the AoR of the ANSP.

¹⁶ Annex II Section 1 point 2.1(e) – achieved distance is a function of the position of the entry and exit points of the flight into and out of each portion of airspace for all parts of the trajectory. Achieved distance represents the contribution that those points make to the great circle distance between origin and destination of the flight.

¹⁷ Refer to Commission Decision on Union-wide targets for RP3 which received a positive opinion by the Single Sky Committee on 1 April 2019.

Setting of local performance targets – environment

Local targets on the KEA KPI shall be set at national or FAB level, depending on which level the performance plan has been established. In respect of FAB performance plans, a further breakdown of the targets at level of each air navigation service provider is required, pursuant to point 3.3. of Annex II.

The target values shall be expressed in percentage terms, reflecting the difference between the actual trajectories and the achieved distances for all flights traversing the local airspace in the scope of the performance plan. The targets are set for a whole calendar year and for each year of the reference period.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Environment KPA	Tab 3.2
Justifications for local environment targets	Annex P

6.3 Capacity KPA

KPIs on en route ATFM delays

There are two local KPIs applicable in the capacity KPA, for en route and terminal ANS respectively.

The local KPI on the average minutes of en route Air Traffic Flow Management (ATFM) delay per flight attributable to ANS, as referred to in point 3.1(a) of Section 2 of Annex I, expresses the difference between the estimated take-off time and the calculated take-off time¹⁸ allocated by the Network Manager. This KPI covers all IFR flights traversing the local airspace and all ATFM delay causes, excluding exceptional events as defined in Article 2(9).

NSAs shall ensure consistency between the local targets on en route ATFM delay and the corresponding Union-wide targets defined in accordance with point 3.1(a) of Section 1 of Annex I.¹⁹

In accordance with point 1.3 of Annex IV, consistency is assessed by comparing the national performance targets or FAB performance targets with the reference values set out in the latest version of the Network Operations Plan available at the time of adoption of Union-wide performance targets. A justification needs to be provided in the performance plan in case of inconsistency.

The key principles for local target setting in respect of the en route ATFM delay KPI are presented below.

¹⁸ Calculated take-off time means the time allocated by the Network Manager on the day of operation, as a result of tactical slot allocation, at which a flight is expected to become airborne.

¹⁹ Refer to Commission Decision on Union-wide targets for RP3 which received a positive opinion by the Single Sky Committee on 1 April 2019.

Setting of local performance targets – en route capacity

Local targets on the en route ATFM delay KPI shall be set at national or FAB level, depending on which level the performance plan has been established, while targets on the terminal ATFM delay KPI shall be set at national level regardless of whether the plan is established at national or FAB level. Those targets shall be set for a whole calendar year and for each year of the reference period. In respect of FAB performance plans, a further breakdown of the targets at level of each air navigation service provide is required, pursuant to point 3.3. of Annex II.

KPIs on terminal ATFM delays

The local KPI on the average time of arrival ATFM delay per flight attributable to terminal and airport ANS, as referred to in point 3.1 of Annex I, is a measure of the ATFM delays at the destination airport. This KPI covers all IFR flights landing at the destination airport and all ATFM delay causes, excluding exceptional events as defined in Article 2(9). There is no Union-wide capacity KPI applicable in respect of terminal ANS.

The key principles for local target setting in respect of the terminal ATFM delay KPI are presented below.

Setting of local performance targets – terminal capacity

The target values shall be expressed in terms of average minutes of ATFM delay per flight and shall be set for a whole calendar year, for each year of the reference period. Those targets shall be broken down into individual values relating to each airport in the scope of the performance plan. In respect of FAB performance plans, a further breakdown of the targets at level of each air navigation service provide is required, pursuant to point 3.3. of Annex II.

In accordance with point 3.5 of Annex II, Member States also have to describe and explain how the local terminal capacity performance targets contribute to the improvement of the performance of the European ATM network.

There are no Union-wide targets on terminal services in the capacity KPA and hence no requirement for consistency with Union-wide target. However, these targets will be subject to review by the Commission in accordance with point 2.1(b) of Annex IV. In setting the target, NSAs should therefore take into account the elements examined as part the review, which include the analysis of actual performance trends during the previous reference period as well as comparison of performance with similar airports. Similar airport can be understood as airports with equivalent traffic volumes (in terms of IFR movements), similar Air Traffic Control (ATC) operating conditions and a similar level of complexity of terminal airspace.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Capacity KPA (en route)	Tab 3.3.1
Capacity KPA (terminal)	Tab 3.3.2
Justifications for local capacity targets	Annex Q

6.4 Cost-efficiency KPA

KPIs on en route and terminal determined unit cost

There are two local KPIs applicable in the cost-efficiency KPA, for en route and terminal ANS respectively.

As specified in point 4.1(a) of Section 1 of Annex I, the **local KPI on the en route determined unit cost (DUC)** reflects the ratio between the determined costs of en route services and the forecast traffic, expressed in en route service units. This KPI is calculated for each en route charging zone.

NSAs shall ensure consistency between the local targets on en route cost-efficiency and the corresponding Union-wide targets defined in accordance with point 4.1(a) of Section 1 of Annex I.²⁰

The **local KPI on terminal DUC** is defined in point 4.1(b) of Section 1 of Annex I, and expresses the ratio between the determined costs of terminal services and the forecast traffic (in terminal service units) in the terminal charging zone concerned. There is no Union-wide KPI on terminal ANS cost-efficiency.

The key principles for local target setting in respect of the en route and terminal DUC KPIs are presented below.

Setting of local performance targets – cost-efficiency

The local targets on the en route DUC shall be set at en route charging zone level, while targets on terminal DUC shall be set at terminal charging zone level. Those targets shall cover all charging zones in the scope of the performance plan.

Each Member State is responsible for setting the targets for the charging zones in the airspace under its responsibility. Where Member States have established a common charging zone within the meaning of Article 21(4), those Member States shall jointly set the targets for that charging zone.

²⁰ Refer to Commission Decision on Union-wide targets for RP3 which received a positive opinion by the Single Sky Committee on 1 April 2019.

Clarification on the setting of determined costs in real terms

In accordance with Article 22(2) and (3) of the Performance and Charging Regulation, determined costs shall be set prior to the start of each reference period (as part of the performance plan) in **real terms** and in **national currency**. The determined costs in real terms reflect the combination of the two components below:

- **determined costs set in nominal terms and converted into real terms** using the ‘forecast inflation index’ as defined in Article 2(11): this concerns the ANSP’s **operating costs** (staff, other operating costs and exceptional items, as well as the costs for exempted VFR flights);
- **determined costs set in nominal terms which are not corrected for inflation**. This is contrary to RP2, where all costs were corrected for inflation – in RP3, a subset of costs are not corrected for inflation for the calculation of the total determined costs in real terms (in item 5.3 of Reporting Table 1 in Annex VII) and of the DUC (in item 5.5 of Reporting Table 1). This concerns the ANSP’s **depreciation costs** and **cost of capital** (historical cost accounting) referred to in points (c) and (d) of Article 22(4), and the costs relating to **Member States, NSAs, qualified entities and Eurocontrol**, referred to in the third subparagraph of Article 22(1).

Information required to substantiate local cost-efficiency targets

Point 3.3 of Annex II of the Performance and Charging Regulation requires the local cost-efficiency performance targets to be substantiated with complementary information.

NSAs should in particular provide the following specific details in the performance plan as regards the **baseline values for cost-efficiency targets**, established for each charging zone covered:

- Baseline value for the determined costs and the DUC (in real terms and in national currency)
- Description and justification of the methodology used to estimate the local baseline values, which are the values reflecting the starting point used for performance target setting in respect of en route cost-efficiency in accordance with point (a) of Article 10(2)
- Justification of the level of the baseline value for the determined costs in comparison with the latest available actual costs

NSAs shall also describe and justify the **consistency between the local targets on en route DUC with the corresponding Union-wide targets** taking into consideration, in particular, the assessment criteria stipulated in point 1.4(a) to (c) of Annex IV. Consistency is assessed based on the DUC trend over the reference period concerned, the long-term DUC trend (covering both the reference period covered by the performance plan and the previous reference period), as well as the DUC level within the relevant comparator group of ANSPs (comparison of the DUC baseline values).

However, point 1.4(d) of Annex IV enables a deviation from the criteria referred to above where this deviation is found to be necessary and proportionate in light of the following circumstances:

- The deviation of the local DUC trend from the Union-wide DUC trend is justified in order to achieve the local performance targets in the KPA of capacity. In this case, the NSA concerned has to demonstrate in the performance plan that the deviation is exclusively due to this reason. It is expected that this will be supported by detailed evidence and figures.
- The deviation stems from the implementation of restructuring measures leading to restructuring costs referred to in Article 2(18). In this case, the NSA concerned has to demonstrate in the performance plan that the deviation is exclusively due to those restructuring costs and that the restructuring measures concerned will deliver a net financial benefit to AUs at the latest in the subsequent reference period.

There are no Union-wide targets on terminal services in the cost-efficiency KPA and hence no requirement for consistency with Union-wide target. However, in accordance with point 3.5 of Annex II, NSAs also have describe and explain how the local terminal cost-efficiency performance targets contribute to the improvement of the performance of the European ATM network. Furthermore, it should be noted that these targets will be subject to review by the Commission in accordance with point 2.1(c) of Annex IV. In setting the targets, NSAs should therefore take into account the elements examined as part the review, which comprise:

- comparison with the en route DUC trend at local level;
- level and trend of actual performance during the reference period which precedes the reference period covered by the performance plan;
- at airport level, comparison of performance with similar airports.

Pursuant to point 3.3 of Annex II, performance plans also need to include **additional information** on:

- cost allocation between charging zones and between en route and terminal services;
- return on equity and cost of capital;
- pensions;
- interest rates.

In respect of the information required on these aforementioned elements, NSAs are advised to consider the elements outlined below:

Information on cost allocation²¹

The requirement to provide this information is fulfilled by submitting the additional information required in point 2.1(a) and (c) of Annex VII. The information is to be provided together with Table 1 (i.e. the Reporting Table setting out the determined costs and contained in Annex VII).

a) Between en route and terminal services

To allocate determined costs to en route and terminal services, Article 22(5) sets out the scope of services that shall be included in the cost bases for terminal charges. In particular, this includes the aerodrome control services (TWR) as well as approach services (APP) within a certain distance from the aerodromes concerned, defined on the basis of operational requirements.

TWR services are provided from a tower ATS unit and their allocation to the relevant terminal charging zone is, in general, easily identifiable. Regarding APP services, the determined costs should be part of the terminal cost base to the extent that these services are serving inbound or outbound traffic of the aerodrome or aerodromes within this charging zone. It is advised that the following factors are considered when appraising the allocation of APP costs:

- **operational arrangements**, i.e. from which ATS unit the services are provided, and to what extent this unit also provides services which are not related to the terminal charging zone concerned (e.g. the APP services may be provided from the tower, from an ACC or from a joint ATS unit providing approach services in respect of several airports);
- **airspace structure**, i.e. the geographical scope of the terminal manoeuvring area (TMA) around the airport and the handover points between en route and approach sectors.

²¹ The Commission has launched a study into cost allocation between en route and terminal ANS services and charging zones. The study is due to be completed during the course of 2019, in which the contents aim at complementing the information on cost allocation found in this supporting material.

b) Between en route and terminal charging zones

In accordance with the first subparagraph of Article 22(5), the **joint costs** incurred in respect of several charging zones are to be allocated in a proportional way between these charging zones, on the basis of a transparent methodology. For example, overhead costs would be split between several terminal charging zones on a pro rata basis considering the traffic levels (expressed in terminal service units or in IFR movements) forecasted in each of the charging zones concerned. Other factors which can be considered comprise the following:

- ATCO hours
- Number of sectors
- Number of workstations
- Time of use of the equipment
- Number of radio channels
- Number of staff

Information on cost of capital

This information is fulfilled by submitting the additional information required in point 2.1(i) of Annex VII. The information is to be provided together with Table 1 (i.e. the Reporting Table setting out the determined costs and contained in Annex VII).

The fifth subparagraph of Article 22(4) specifies that the cost of capital is calculated by multiplying the value of the **regulatory asset base** (expressed as a monetary value) by a **pre-tax rate of return** (expressed as a percentage).

The **regulatory asset base** for any given year shall be the sum of the average net book value of fixed assets (and possible adjustments determined by the NSA) and of the average value of net current assets²² (excluding interest-bearing accounts) that are required for the provision of ANS. For the purpose establishing the regulatory asset base, both assets in operation and under construction are taken into account.

The pre-tax rate of return shall be calculated in accordance with a **weighted cost of capital (WACC)** methodology (i.e. as a weighted average of the interest rate on debts and of the return on equity). In the event that an ANSP does not have equity capital, the difference between the value of the total assets and the debts of the ANSP shall be used instead, for the purpose of establishing this weighted average.

The **interest rate on debt** is calculated as a weighted average taking account of the debt-based funding of the ANSP.

The **return on equity** is determined in light of the financial risk incurred by the ANSP. Specific consideration should be given to the (maximum) potential impact of risk sharing mechanisms associated with the Performance and Charging Scheme:

- traffic risk sharing mechanism referred to in Article 27;
- cost risk sharing arrangements referred to in Article 28;
- incentive schemes referred to in Article 11.

²² Net current assets refer to the working capital of the ANSP (i.e. the operating liquidity used for day-to-day activities, and calculated as the difference between current assets and current liabilities).

Performance plans should include detailed information on the cost of capital, in particular on the following aspects:

- By virtue of point 3.3(e) of Annex II, NSAs are expressly required to describe and justify in their performance plans the return on equity applied, the gearing ratio, as well as the level and composition of the regulatory asset base used for the calculation of the cost of capital.
- Point 3.3(f) of Annex II encapsulates the requirement for Member States to outline the assumptions used in respect of interest rates for loans and to explain the weighted average interest rate on debt used to calculate the cost of capital pre-tax rate. This comprises the presentation of detailed information on loans including as regards amounts and duration.
- Detailed financial data on cost of capital including points 1.4, 3.1-3.8, and 3.11 of Reporting Table 1 contained in Annex VII.
- In accordance with Annex VII (Reporting Table and point 2.1(i) in additional information section), the cost of capital has to be specified, and detailed in terms of assumptions used, in respect of each charging zone and entity concerned. NSAs should also describe the impact (if any) of pension-related assets and liabilities on the cost of capital.

Information on pensions

NSAs have to present in their performance plans the relevant data and assumptions regarding the pension costs for the reference period. For practical reasons, it is foreseen that the body of the performance plan presents detailed information on the pension costs of the main ANSP or ANSPs²³, whilst corresponding information regarding other entities covered by the performance plan is presented in 'Explanations on how to fill the additional information to the reporting tables for the purpose of the RP3 performance plans (Annexes A and B)'.²⁴

NSAs are required to identify the determined costs of pensions for each calendar year of the reference period. Those determined costs should be broken down by activity, i.e. for en route services, terminal services (if applicable), and other activities (if applicable). The NSA should outline the methodology used to calculate the pension costs for the reference period concerned.

In presenting the assumptions underlying the pension costs, NSAs should distinguish between the different pension schemes in place at local level, i.e. the State pension scheme(s), 'defined contribution' pension scheme(s) and/or 'defined benefits' pension scheme(s). The number of employees covered by each pension scheme should be expressly identified and broken down per staff category as appropriate. Where the employer contribution rates in any given scheme are not uniform for the various staff categories, the data and assumptions should be detailed separately for each staff category.

NSAs should describe the relevant national pension regulations and pension accounting regulations on which the presented assumptions are based. Where those regulations are expected to change during the reference period, the NSA concerned should outline which changes are expected and explain how these are estimated to impact the ANSP cost base over RP3.

²³ The main ANSP(s) is (are) those responsible, in particular, for the provision of ATS and representing the highest share of the total en route and terminal cost bases.

²⁴ Pension assumptions of other entities are to be presented in accordance with point 2.1(f) of Annex VII of the Performance and Charging Regulation, as part of 'Explanations on how to fill the additional information to the reporting tables for the purpose of the RP3 performance plans (Annexes A and B)'. This document can be found in the ['Useful materials for RP3'](#) section on the EU Single Sky website.

NSAs should consider the cost risk related to the applicable pension schemes and describe actions to minimize this risk and mitigate the impact of any unforeseen costs that could potentially arise during the reference period.

Information on interest on loans

NSAs are asked to present in the performance plan the loans which finance the costs arising from the provision of air navigation services. Only the loans which have a material impact on the ANSP's financial position should be presented separately. For each loan having a material impact, the NSA should provide the following details:

- Face value (original amount) of the loan as stated in the loan contract
- Date of subscription of the loan
- Maturity date of the loan
- Type of loan (bank loan, bond, shareholder loan, other)
- Type of interest rate applicable to the loan (fixed/variable rate)

The following financial data should be broken down for each loan and for each calendar year of the reference period:

- Remaining balance at the end of the financial year
- Interest rate payable (expressed as %)
- Interest amount: planned cost of interest payments for the calendar year concerned

Mapping with Excel template for RP3 performance plans

Item	Excel template
Baseline values for determined costs and DUC	Table 3.4.1 (a) – en route
	Table 3.4.2 (a) – terminal
Baseline values for cost-efficiency targets	Table 3.4.1 (b) – en route
	Table 3.4.2 (b) – terminal
Description and justification of methodology to estimate baseline values	Table 3.4.1 (c) – en route
	Table 3.4.2 (c) – terminal
Justification for baseline value for determined costs in comparison with latest available actual costs	Table 3.4.1 (d) – en route
	Table 3.4.2 (d) – terminal
Description and justification of consistency between local and Union-wide cost-efficiency targets	Table 3.4.1 (e) – en route
Description and justification of contribution of local targets to performance of European ATM network	Table 3.4.2 (e) – terminal
Reporting tables and additional information	Annex A – en route
Reporting tables and additional information	Annex B – terminal
Complementary information on baseline values	Annex F
Complementary information on cost allocation	Annex M

Justifications for local cost-efficiency targets	Annex R
Pensions ²⁵	Tab 3.4.3
Interest rates ²⁶	Tab 3.4.4

6.5 Additional local KPI(s) and targets

NSAs may wish to set additional local KPIs and associated targets in accordance with Articles 8(4) and 10(3) of the Performance and Charging Regulation. Additional local KPIs may be set in addition to the KPIs set out in Annex I Section 2.

Article 10(3)

The performance plans may contain additional performance targets set on the basis of the key performance indicators referred to in Article 8(4). Those targets shall support the achievement of the performance targets referred to in Article 9(3) and in point (a) of paragraph 2 of this Article.

For the targets relating to such KPIs, a description and explanation should be made as to how these targets support the achievement of the Union-wide and local performance targets as defined in Article 9(3) and point (a) of Article 10(2). These targets may relate in particular to the area of civil-military cooperation and meteorological service provision.

Together with the targets for each additional local KPI for every year of the reference period, the NSA should provide the following information:

- Indication of the level at which the additional KPA is set (e.g. charging zone, ANSP or national level);
- Description and rationale: definition of the additional KPI and of the related KPA, explanation on why the additional KPI has been introduced and what is its role in supporting the achievement of the targets in the four KPAs as defined in Sections 6.1 to 6.4 above (e.g. if the additional KPI provides a mechanism by which the ANSP is incentivised to deliver optimal flight paths, to reduce aircraft fuel burn);
- Formula, metric and parameters: explanation on the principles for the calculation (or formula) of the additional KPI;
- Data sources: description of the relevant data sources that have been used to feed the formula for calculating the additional KPI.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Additional local KPI(s) and targets	Tab 3.5
Complementary information on additional local KPI(s) and targets	Annex J

²⁵ The details concerning pension assumptions for the main ANSPs are to be provided in the body of the performance plan, whereas information on the assumptions for the other entities are to be detailed in the Additional Information to the Reporting Tables – point 2.1(f) of Annex VII.

²⁶ The details concerning interest rate assumptions for the main ANSPs are to be provided in the body of the performance plan, whereas information on the assumptions for the other entities are to be detailed in the Additional Information to the Reporting Tables – point 2.1(i) of Annex VII.

7 Measures

This section concerns the measures put in place by NSAs for the purpose of **achieving the local performance targets**. In addition, this section covers **restructuring measures** which lead to restructuring costs within the meaning of Article 2(18) of the Performance and Charging Regulation and that are planned to be implemented during the reference period covered by the performance plan.

7.1 Measures to achieve performance targets

In accordance with point 3.2 of Annex II, NSAs shall include in performance plans information concerning the main measures put in place at national or FAB level with a view to achieving the performance targets set in the four KPAs. The measures shall be presented **separately for each KPI**.

The measures should include (but not be limited to) **operational, technological, organisational and/or financial measures**. As far as possible, the estimated impact of the planned measures should be quantified in order to highlight their contribution to the achievement of the relevant targets. NSAs should also indicate the planned timeline for the implementation of each measure. Measures already initiated in the previous reference period, and which will continue to have a material impact on ANS performance in the reference period covered by the performance plan, should also be outlined. The information should include updated benefit estimates (including based on early deployments). Detailed descriptions and justifications of those measures may be annexed to the performance plan.

It should be noted that the measures to achieve the local performance targets are within the scope of the review of performance plans referred to in point 2 of Annex IV, and hence these measures are to be examined by the Commission in conjunction with the assessment of the local performance targets.

The non-exhaustive list below provides generic examples of possible measures at local level in the KPAs of environment, capacity, and cost-efficiency.²⁷ Detailed descriptions are required in the performance plan in respect of the main measures put in place (or to be put in place) at local level.

Environment KPA

- Implementation Free Route Airspace (FRA) and cross-border FRA.
- Improvements in the implementation of Flexible Use of Airspace (FUA) and of civil-military airspace structures, including through cross-border cooperation.
- Improvement of TMA structures
- Implementation of Continuous Climb and Descent Operations
- Improvements in ATS route design, including in respect of the night route network.
- Cross-border operations
- Any other measures contributing to ENV performance

Capacity KPA

- Recruitment of additional Air Traffic Controllers (ATCOs) / Air Traffic Safety Electronics Personnel (ATSEP)
- Measures foreseen to address impact of retirement of ATCOs / ATSEP

²⁷ We have not provided examples of measures in the safety KPA, due to the ongoing EASA work to develop AMC and GM regarding the KPI on EoSM.

- Reconfiguration / re-sectorisation of airspace to deliver higher capacity
- Implementation of new ATM systems or functionalities
- Implementing flexible rostering system
- Implementing dynamic management of sectors
- Implementing of digitalisation and cross-border projects
- Network-level measures coordinated by the Network Manager that deliver capacity benefits for the network²⁸
- Enhanced civil-military coordination
- Any other capacity enhancement measures

To substantiate the measures put in place to achieve the local capacity targets, the NSAs concerned should provide numerical data relating to the planned number of ATCOs over the reference period covered by the performance plan.²⁹ The following data should be provided:

- Number of additional ATCOs in OPS planned to start working in the OPS room (FTEs)
- Number of additional ATCOs in OPS planned to stop working in the OPS room (FTEs)
- Number of ATCOs in OPS planned to be operational at year-end (FTEs)

Cost-efficiency KPA

- Structural measures related to the organisation and/or management of ANS, which lead to enhanced cost-efficiency of service provision.
- Measures to improve productivity
- Measures related to the optimization of support services (e.g. overhead, training) including through cooperation, consolidation or outsourcing arrangements.
- Measures to maximize the value for money of investments
- Measures to mitigate any negative cost risk related to the pension liabilities of the ANSP
- Measures to optimize the financing costs of the ANSP
- Any other measures contributing to cost-efficiency of ANS

Mapping with Excel template for RP3 performance plans

Item	Excel template
Measures to achieve safety targets	Table 3.1.1 (b)
Measures to achieve environment target	Table 3.2.1 (b)

²⁸ These measures should be presented even where the impact on capacity performance is negative at local level, given that these measures provide a positive contribution at network level by reducing the overall ATFM delay generated.

²⁹ This forward-looking data should be presented with a breakdown per ACC and in accordance with the data provision requirements F7, F8 and F9 set out in the 'Eurocontrol Specification for Economic Information Disclosure' (Edition 3.0 of 4 December 2012), which is applicable by virtue of point 2.1(a) of Annex VI.

Item	Excel template
Measures to achieve en route capacity target (including provision of ATCO-related data)	Table 3.3.1 (b)
	Table 3.3.1 (c)
Measures to achieve terminal capacity target	Table 3.3.2 (b)
Measures to achieve en route cost-efficiency target	Table 3.4.1 (f)
Measures to achieve terminal cost-efficiency target	Table 3.4.2 (f)
Detailed descriptions and justification of local performance targets and related measures	Annexes O, P, Q and R

7.2 Restructuring measures and related costs

Pursuant to point 3.3(i) of Annex II, the draft performance plan shall contain, where applicable, the description of any significant restructuring planned during the reference period. The terms 'restructuring' and 'restructuring measures' in the context of the performance and charging scheme should be interpreted in light of the definition of 'restructuring costs' set out in Article 2(18) and displayed in the box below:

Article 2(18)

*'restructuring costs' means significant one-time costs incurred by air navigation service providers in the process of restructuring for **introducing new technologies, procedures or business models to stimulate integrated service provision, compensating employees, closing air traffic control centres, shifting activities to new locations, writing off assets or acquiring strategic participations in other air navigation service providers.***

General principles

As specified in Article 2(18), 'restructuring' refers to **measures implemented by one or several ANSPs**, which lead to **significant one-off costs** incurred by these providers. The categories of measures which are eligible under restructuring costs are defined in a limitative way in Article 2(18), as highlighted by us in the box above. These measures may be of an operational, technological, organisational or financial nature. They should lead to permanent, structural changes in respect of the service provision.

In assessing the consistency of the local en route cost-efficiency targets with the Union-wide targets, the Commission may consider restructuring measures under the assessment criterion stipulated in point 1.4(d)(ii) of Annex IV. By virtue of this criterion, restructuring costs (within the meaning of Article 2(18)) may justify a deviation from Union-wide targets where it has been found that the deviation is exclusively due to those restructuring costs and the NSA has demonstrated that the restructuring measures will deliver a **net financial benefit to AUs at the latest in the next reference period**.

Performance plan template

NSAs should include in the performance plan sufficiently detailed information for the purpose of appraising whether the presented restructuring measures qualify under the definition set out in Article 2(18). NSAs should provide the following elements:

- A description of each restructuring measure or, where applicable, of a package of restructuring measures planned for RP3. This should include the restructuring costs by measure. Where the restructuring measure is linked to one or several new major investments, these should be clearly specified with reference to the major investments referred to in the ‘Investments’ section of the RP3 performance plan template.
- Detailed information on the restructuring costs by charging zone
- A justification of the restructuring measures and costs, in particular as regards the net financial benefit to AUs in the next reference period referred to in point 1.4(d)(ii) of Annex IV.
- Complementary information on restructuring measures and costs, through relevant complementary materials to be annexed to the draft performance plan.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Restructuring measures and costs	Tab 3.4.5
Complementary information on restructuring measures and costs	Annex H

8 Interdependencies and trade-offs between KPAs

This section concerns the identification and consideration of interdependencies as part of the local performance target setting process, and their presentation in the performance plan. The relevant regulatory provisions are presented in the box below.

Annex II – Template for performance plans

3.6. Description and explanation of the interdependencies and trade-offs between the key performance areas, including the assumptions used to assess those trade-offs.

8.1 Principles

Given the strong links observed between the KPAs and the resulting trade-offs in terms of performance, it is important that these interdependencies are duly identified and taken into account in setting the local performance targets – this is in accordance with point 3.6 of Annex II of the Performance and Charging Regulation.

As pointed out in recital (17), the assessment of interdependencies should be done ‘having regard to the overriding safety objectives.’ This entails that the level of ANS safety required under the EU legislation should not be subject to trade-offs under any circumstances. This does not preclude that interdependencies may arise between safety and the three other KPAs, but these have to be effectively managed so as not to compromise the required level of safety.

Trade-offs applied between the KPAs of cost-efficiency, capacity and environment should be evaluated in the performance plan.

A consideration of interdependencies at local level should aim to set the appropriate balance between local performance targets in the various KPAs, identifying the impact of interdependencies on the performance in each KPA over the reference period concerned, and foreseeing possible mitigation measures for dealing with any potential negative impacts. The interdependencies between the KPAs and the related trade-offs should be discussed with ANSPs and AUs as part of the local consultation process on draft performance plans.

For FAB-level plans, it is also advised that individual ANSP contributions in respect of the trade-offs between the KPAs are assessed collectively to ensure consistency and to guard against any negative impact when combined.

8.2 Specific information required

NSAs should provide, in the performance plan, specific information as regards the interdependencies and trade-off between the **safety KPA and other KPAs**. In this respect, NSAs should in particular:

- identify the safety implications related to the implementation of local targets and the associated measures;
- describe how they plan to mitigate any potential safety impacts;
- present the main assumptions used to assess the interdependencies between safety and the other KPAs;

- outline the relevant metrics, other than those indicators described in the Performance and Charging Regulation, used to ensure that targets in the KPAs of capacity, environment and cost-efficiency are not degrading safety;
- consider whether the targets allow for trade-offs in operational decision making to manage resource shortfalls in order to preserve safety performance;
- explain how they / the Member State(s) have appraised the level of ANSP's financial and personnel resources that is needed to support safe ATC service provision.

Additionally, NSAs should detail the interdependencies and trade-offs on the one hand **between capacity and environment**, and on the other hand between **cost-efficiency and capacity**. The specific information to be provided may include (but not be limited to) the following elements:

- Overview of the effects of initiatives to provide more direct and efficient flights (e.g. Free Route Airspace) on capacity provision.
- Overview of how new and existing investments are expected to contribute to improvements in the KPAs of environment and capacity.
- Overview of the relationship between capacity (reduction of delays and/or accommodation of traffic increases) and cost-efficiency, and relationship of costs with operational considerations (including hiring of new ATCOs).
- Overview of the measures foreseen to mitigate any negative trade-offs between KPAs.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Interdependencies and trade-offs between safety and other KPAs	Table 3.6.1
	Table 3.6.2
Interdependencies between other KPAs	Table 3.6.3
	Table 3.6.4
Complementary information on interdependencies	Annex S

9 Cross-border initiatives, SESAR implementation and change management actions

This section addresses the procedural aspects related to the implementation of cross-border initiatives and SESAR. The relevant regulatory provisions are presented in the boxes below.

9.1 Cross-border initiatives

Planned or already implemented cross-border cooperation initiatives

Annex II – Template for performance plans

4.1. Description of the cross-border cooperation initiatives implemented, or planned to be implemented, at the level of air navigation service providers to improve the provision of air navigation services. Identification of the performance gains enabled by those initiatives in the various key performance areas.

NSAs are required to outline the planned, or already implemented, cross-border initiatives at ANSP-level that aim at enhancing ANS performance. NSAs are advised to quantify, where possible, the expected performance gains enabled by such initiatives in the four KPAs (e.g. based on conducted cost-benefit analyses) – qualitative justification is also recommended. Where no relevant cross-border cooperation initiatives have been identified, NSAs should state this explicitly in the relevant section of the performance plan.

Investment synergies enabled by cross-border collaboration

Annex II – Template for performance plans

2. INVESTMENTS

(...)

2.2(c) detail of synergies achieved at the level of functional airspace blocks or, through other cross-border cooperation initiatives as appropriate, in particular in terms of common infrastructure and common procurement.

NSAs should specifically describe, in accordance with point 2.2(c) of Annex II of the Performance and Charging Regulation, how the presented cross-border cooperation initiatives, including at FAB-level of through industrial partnerships, have delivered synergies in terms of realized or planned investments. Reference should in particular be made to common infrastructure and common procurement initiatives, where applicable.

It should also be noted that Annex IV foresees that the Commission will review to what extent draft performance plans demonstrate performance benefits and synergies enabled by cross-border collaboration.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Summary of investments ³⁰	Table 2.1.1
Planned or already implemented cross-border cooperation initiatives	Table 4.1.1
Investment synergies enabled by cross-border collaboration	Table 4.1.2
Complementary information on cross-border initiatives	Annex N

9.2 SESAR implementation and change management

SESAR implementation

Annex II – Template for performance plans

4.2. Description of recent and expected progress in the deployment of SESAR common projects referred to in Article 15a of Regulation (EC) No 550/2004, as well as of change management practices in relation to transition plans in order to minimise any negative impact of changes on the network performance.

NSAs are required to describe the recent and expected progress in the deployment of SESAR common projects, in particular how their implementation contributes to performance improvements at local level.

NSAs should provide an overview of the status of implementation of the six ATM functionalities as set out under Article 3 of [Commission Implementing Regulation \(EU\) No 716/2014](#) (the Pilot Common Project). Recent and expected progress should be considered in light of the deployment schedules defined in the SESAR Deployment Programme.

Change management practices

In accordance with Article 10(2)(i), NSAs should detail the change management practices and transition plans for the entry into service of major airspace changes or for ATM system improvements during the reference period concerned. In this context, change management should be understood as referring to measures taken to manage the organisational, operational and technological changes associated with the planned technological improvements.

Appropriate change management practices are to be defined at local level, on a case-by-case basis and considering the specific issues faced. Examples of such practices (provided here on an indicative basis, without prejudice to actions to be set up at local level) may include:

- Defining a clear change management programme for the ANSP(s) and other stakeholders affected by the change;
- Assessing the changes and impacts to functional systems and considering any formal evaluation and risk assessment that may be required;

³⁰ Synergies should be described in relation to the new major investments listed under Section 2 of the performance plan template.

- Ensuring that a safety support assessment is carried out for the equipment, procedural and human elements being changed, and the interfaces and interactions being changed;
- Ensuring that training support is provided for all affected parties, to prepare the workforce for handling new types of tools and working methods;
- Ensuring that the change process is being continuously measured and monitored.

It is advised that NSAs refer to the relevant change management provisions as stipulated in [Commission Implementing Regulation \(EU\) No 2017/373](#).

Mapping with Excel template for RP3 performance plans

Item	Excel template
SESAR implementation	Tab 4.2
Change management practices	Tab 4.3

10 Traffic risk sharing parameters

The traffic risk sharing mechanism is set out in Article 27 of the Performance and Charging Regulation, in accordance with the general principles specified in Article 11(1) and (2). This mechanism determines how surpluses and losses, due to deviations from the traffic forecast (expressed in service units) established in the performance plan, are shared between the ANSP(s) concerned and AUs during the reference period.

This section outlines the information and justifications required in the performance plan as regards the traffic risk sharing parameters to be applied. The relevant regulatory provisions are presented in the boxes below.

Annex II – Template for performance plans

5.1. In respect of each charging zone concerned, description of the defined values of the traffic risk sharing parameters applicable in accordance with Article 27:

- a) *identification of the applicable range referred to in Article 27(2) and of the traffic risk sharing keys referred to in Article 27(3);*
- b) *in the event that the national supervisory authority adapts the values of the parameters of the traffic risk sharing mechanism referred to in point (a) in accordance with Article 27(5):*
 - i) *justification of the defined values of the traffic risk sharing parameters;*
 - ii) *description of the consultation process of airspace users and air navigation service providers on the setting of the values of the traffic risk sharing parameters and of the outcome of the consultation.*

Article 27 enables some flexibility for NSAs in respect of the traffic risk sharing arrangements applicable at local level over the reference period. NSAs may either decide to apply the **default traffic risk sharing mechanism as defined in Article 27(2), (3) and (4)**, or they may decide to **adapt** the values of the traffic risk sharing parameters laid out in Article 27(2) and 27(3), subject to the conditions set out in Article 27(5).

Accordingly, NSAs need to specify in their performance plans the values of the traffic risk sharing parameters that they have chosen to apply in respect of each charging zone in the scope of the performance plan.

It is important to note that the values of traffic risk sharing parameters defined in Article 27(4) are not adaptable by NSAs and thus apply regardless of whether the NSA concerned has decided to adapt the values referred to in Article 27(2) and 27(3).

10.1 Selection of default values

Where an NSA decides to apply the default values of the traffic risk sharing parameters, it should specify this in the performance plan and thereby confirm that:

- The range (so-called 'dead-band') within which additional revenue or revenue losses due to traffic variations are borne in full by the ANSP concerned is set at **±2%** of the service unit forecast established in the performance plan, in accordance with **Article 27(2)**.

- The traffic risk sharing keys specified in **Article 27(3)** apply in respect of additional revenue or revenue losses stemming from traffic deviations **beyond the dead-band referred to in Article 27(2) but not exceeding 10% of the service unit forecast**. Hence, **70% of additional revenue** received for traffic in excess of 2% of the service unit forecast (and up to 10% of the service unit forecast) is to be returned to AUs, whilst the ANSP is able to recover **70%** of a revenue loss incurred in excess of 2% of the service unit forecast (and up to 10% of the service unit forecast).
- The traffic risk sharing keys specified in **Article 27(4)** apply in respect of additional revenue or revenue losses due to actual traffic deviating from the service unit forecast by **more than 10%** (i.e. exceeding **110%** of the service unit forecast or being lower than **90%** of the service unit forecast). Any additional revenue beyond this limit is passed on in full to airspace and any revenue loss is fully recovered from airspace users.

Where the default values referred to above are applied, the NSA concerned is not required to provide any additional elements or justifications in the performance plan – the confirmation that these default values have been selected is sufficient.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Selection of the default values	Table 5.1
Parameters for traffic risk sharing	Annex G

10.2 Adaption of default values

Where an NSA decides to adapt the values of the traffic risk sharing mechanism in application of Article 27(5), the adapted values shall be presented in the performance plan together with the additional elements and justifications required under point 5(1)(b) of Annex II.

Where applicable, the performance plan shall expressly indicate adapted values regarding the following elements:

- The **scope, in percentage terms, of the dead-band referred to in Article 27(2)** within which additional revenue or revenue losses due to traffic variations (versus the forecast) are borne in full by the ANSP concerned;
- The **traffic risk sharing keys referred to in Article 27(3)**, as regards additional revenue or revenue losses stemming from traffic deviations beyond the dead-band referred to in Article 27(2).

As explained earlier, it should be noted the traffic risk sharing parameters set out in Article 27(4) and which concern traffic deviations beyond 10% of the service unit forecast, are not subject to any possible adaptation.

Any NSA opting for the adaptation of traffic risk sharing values shall include in its performance plan the information required to verify that the specific conditions set out in Article 27(5) have been met, namely:

- It is necessary to demonstrate that AU representatives and the relevant ANSP(s) **have been consulted** on the adjusted values of the traffic risk sharing parameters, as foreseen in Article 27(5)(a). The NSA shall therefore provide in the performance plan a description of the relevant

consultation and of its outcome – this information should be included in Section 1.3 of the performance plan (section on stakeholder consultation).

- The performance plan should contain a **calculation of the risk exposure of the ANSP** resulting from the adjusted values for traffic risk sharing. As point (b) of Article 27(5) does not allow the risk exposure to be lower than under the default traffic risk sharing parameters, the risk exposure for any given year shall not be lower than 4.4% of the ANSP's determined costs.
- Justification is needed in respect of the adjusted values chosen. In particular, the NSA should explain in the performance plan how they have taken into account the **variation of ANS costs** at local level in connection with the provision of capacity under different traffic scenarios. Article 27(5)(c) specifically requires NSAs, in setting the adjusted values, to consider the variation of the costs of capacity provision by the ANSP concerned as a result of variations in traffic. The NSA should provide in the performance plan the relevant information that has been considered in this respect, including the conclusions of any relevant analysis conducted by the NSA itself or by external experts. As appropriate, related materials should also be annexed to the performance plan.

As explained earlier, it should be noted the traffic risk sharing parameters set out in Article 27(4) and which concern traffic deviations beyond 10% of the service unit forecast, are not subject to any possible adaptation.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Selection of the default values	Table 5.1
Parameters for traffic risk sharing	Annex G

11 Incentive schemes

The purpose of incentive schemes is to encourage better performance and to generate rewards or penalties for actual performance in relation to the adopted performance targets. The incentive scheme for the KPA of capacity is based on the provisions of Articles 11(1) and 11(3) of the Performance and Charging Regulation. In accordance with Article 11(1), incentives shall apply to both en route and terminal ANS and shall remain in place during the entire reference period covered by the performance plan.

Financial incentives in the capacity KPA are mandatory. These incentives are linked with the local capacity targets set for en route and terminal services, expressed in average minutes of ATFM delay per flight attributable to ANS. Furthermore, Member States are allowed to introduce financial incentives in the KPA of environment or for the achievement of the additional performance targets referred to in Article 10(3). The setting of **additional incentives** is governed by Article 11(4). Where applied, these additional incentives also have to be presented in the performance plan.

In addition, it is important to note the requirement for NSAs to consult stakeholders on the incentive schemes comprised in the draft performance plans. In accordance with Article 10(4), this consultation shall cover ANSPs, AUs' representatives and, where relevant, airport operators and airport coordinators.

This section outlines the specific information and justifications required in the performance plan as regards the incentive schemes to be applied by the Member State(s) concerned. The relevant regulatory provisions are presented in the boxes below.

Annex II – Template for performance plans

5.2. In respect of incentive schemes applicable during the reference period in accordance with Article 11:

- a) description and justification of the parameters of the incentive scheme defined in accordance with Article 11(3), including the pivot values, and the modulation mechanism of pivot values where applicable;*
- b) identification of the air navigation service providers and charging zones subject to the incentive schemes;*
- c) where applicable, description of the additional incentive schemes referred to in Article 11(4).*

11.1 Incentive schemes in the capacity KPA

Article 11(3) sets the principles for incentives on capacity but also leaves considerable discretion to Member States as regards the design of the incentive scheme and its implementing arrangements. The basic principles for these incentives include:

- The impact of incentives has to be '**material**' in terms of the revenue at risk – in order for incentives to be effective in terms of driving the desired outcomes, it is necessary that they have a potentially significant financial impact on the incentivised entity (i.e. the ANSP);
- Incentives have to be '**proportionate to the level of ATFM delay**' – this entails that the level of bonuses and penalties stemming from the incentive schemes ought to be commensurate with the actual performance of the ANSP concerned in terms of ATFM delay as compared with the applicable **pivot value**, which is the value used for the purpose of calculating the financial advantages or disadvantages stemming from the mandatory incentive scheme in the capacity KPA, and set by the NSA in accordance with point (c) of Article 11(3).

NSAs have to adhere to the principles below when setting the parameters for the local incentive schemes on capacity. As specified in point 5.2(a) of Annex II, the information to be included in the performance plan in respect of incentive schemes in the capacity KPA encompasses in particular:

- **Mechanism for defining the pivot values**, i.e. the target values against which the financial advantages (bonuses paid by AUs to the ANSP) or disadvantages (penalties conceded by the ANSP to AUs) will be calculated;
- **Numerical parameters used for calculating bonuses and penalties**;
- In the case of FAB performance plans: **additional elements** concerning FAB-level dimension and requirements of incentive scheme.

Mechanism for defining the pivot values

NSAs shall indicate in the performance plans on which basis they intend to set the pivot values used for the purpose of the incentive scheme. In accordance with Article 11(3)(c), NSAs may choose between the two options described below. It is important to note that the choice indicated by the NSA in its performance plan subsequently remains valid for the whole duration of the reference period and may not be amended during that reference period.

- **Option a) Pivot values are based on the performance targets**

The NSA may decide that the pivot values for each calendar year are to be **equal to the local performance target** set for that year. The incentive scheme will thus be articulated around the relevant capacity performance target values.

- **Option b) Pivot values are based on 'modulated' performance targets**

Alternatively, the NSA may decide, after consultation with AUs, to base the pivot values on annually 'modulated performance targets'. In this case, the NSA shall define in its performance plan the **modulation mechanism** to be applied for this purpose, in accordance with the provisions of point 1 of Annex XIII.

In respect of en route services, the modulation mechanism of pivot values may consist of an annual adjustment of the local en route capacity targets informed by the reference values published in the November release of the Network Operations Plan of year n-1. The modulation may also consist in the limitation of the scope of the incentive scheme to delay causes related to related to ATC capacity, ATC routing, ATC staffing, ATC equipment, airspace management and special events with the codes C, R, S, T, M and P of the ATFCM user manual. It is possible for the NSA to apply either one or both these features in respect of the modulation mechanism.

In respect of terminal services, the modulation mechanism of pivot values may comprise an annual adjustment of the local terminal capacity targets on the basis of objective and transparent principles defined in the performance plan, so as to take account of significant and unforeseen changes in traffic. The modulation may also consist in the limitation of the scope of the incentive scheme to delay causes related to related to ATC capacity, ATC routing, ATC staffing, ATC equipment, airspace management and special events with the codes C, R, S, T, M and P of the ATFCM user manual. It is possible for the NSA to apply either one or both these features in respect of the modulation mechanism.

Numerical parameters used for calculating bonuses and penalties

NSAs shall present in the performance plans the numerical parameters of the incentive schemes underpinning the calculation of bonuses and penalties. In accordance with point 2 of Annex XIII, these numerical parameters are to be expressed as fixed percentages of the determined costs set for year n.

In defining these fixed percentages, NSAs should ensure compliance with the following requirements deriving from Article 11(3):

- the maximum level of potential bonuses shall **not** exceed the maximum level of potential penalties;
- the level of potential bonuses may **not** exceed **2%** of the determined costs of any given year;³¹
- a tolerance margin (or dead-band) is to be included as part of the incentive scheme – this has to be defined as a ‘**symmetric range**’ applied around the pivot value applicable for each year.

As stated in point 2 of Annex XIII, a ‘**smooth sliding scale**’ shall be set by the NSA for the purpose of calculating the annual bonus or penalty payment stemming from the incentive scheme. This scale will enable the calculation of bonuses or penalties depending on the actual performance of the ANSP versus the applicable pivot value, where the difference between the pivot value and the actual ATFM delay falls beyond the tolerance margin (or dead-band) referred to above. The scale will also determine the difference between the pivot value and the actual ATFM delay beyond which the maximum bonus or penalty applies.

It is recommended that NSAs include graphs and/or tables in their performance plans for the purpose of illustrating the defined incentive scheme in terms of the formula and numerical parameters to be applied.

The setting of numerical parameters used for calculating bonuses and penalties is subject to consultation with AU representatives and ANSPs. Information on the outcome of the relevant consultation should be included in Section 1.3 of the performance plan.

Additional elements specific to FAB performance plans

Where the NSAs concerned have opted for the establishment of a performance plan at FAB level, they are required to set a capacity targets for en route services at FAB level pursuant to point 3.1(a)(iv) of Section 2 of Annex I.

Article 11(3)(g) prescribes additional requirements in respect of the definition and implementation of the incentive scheme associated with these FAB level en route capacity targets. Accordingly, the NSAs concerned should ensure that the incentive scheme set out in their FAB performance plan complies with the following principles which are additional to the general principles outlined in the sub-sections above:

- There shall be a **uniform incentive scheme** for all the Member States within the FAB, based on the same parameters and numerical values, and applied consistently across the FAB.
- There shall be **both national and FAB level pivot values** underpinning this incentive scheme. The FAB level pivot value shall be based either on the FAB-level target or the modulated FAB level target. The national pivot values shall derive from the breakdown of the FAB level targets in respect of each ANSP concerned. These ANSP-specific values shall be defined in the performance plan, without prejudice to a possible further modulation of these values where a modulated FAB target is applied for the incentive scheme.
- The NSAs of the Member States shall **jointly decide** on whether to base the applicable FAB level and national pivot values on the FAB performance targets or on modulated FAB performance targets. The possibilities for modulating a FAB level capacity targets are the same

³¹ The alert thresholds referred to in point (b)(iii) of Article 9(4), which are established together the adoption of the Union-wide performance targets, will apply in respect of all incentive schemes for the purpose of setting the upper or lower bound beyond which the maximum bonus or penalty applies, respectively. It should be noted that this parameter is not subject to adjustment.

as with regard to national level capacity targets. As detailed in the previous sub-section, the modulation principles are set out in point 1 of Annex XIII. Where NSAs choose to modulate the FAB level targets, the same modulation mechanism shall apply similarly to all pivot values referred to above.

The NSAs concerned should provide the additional information required for the points above in an annex to the performance plan. They should confirm the agreement within the FAB on the numerical parameters of the incentive scheme and in respect of any modulation mechanism to be applied.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Incentive scheme for en route capacity	Tab 5.2.1
Incentive scheme for terminal capacity	Tab 5.2.2
Parameters for mandatory capacity incentives	Annex I

11.2 Optional financial incentive schemes

In accordance with Article 11(4), NSAs may decide to establish optional incentives on local environment targets or on additional targets set in accordance with Article 10(3).

If an NSA decides to establish an optional incentive scheme for RP3, they should provide at least the following information as part of the performance plan:

- The KPA which the incentive applies to;
- The geographical scope which the incentive applies to (i.e. en route or terminal);
- A description of the incentive (including rationale);
- The parameters, formulas, metrics and data sources used to justify the application of the incentive;
- The maximum bonus and penalty for the optional incentive, noting that the aggregated financial advantage or disadvantage **shall not exceed 2% and 4% of the determined costs of year n respectively.**

Mapping with Excel template for RP3 performance plans

Item	Excel template
Optional incentive schemes	Tab 5.3
Complementary information on optional incentive schemes	Annex K

12 Implementing arrangements

This section concerns the identification of arrangements related to the monitoring and implementation of the performance plan in the course of the reference period. The relevant regulatory provisions are presented in the box below.

Annex II – Template for performance plans

6. Implementation of the performance plan

Description of the processes that the national supervisory authorities will put in place, in order to:

- (a) monitor the implementation of the performance plan;*
- (b) address the situation where targets are not reached during the reference period.*

12.1 Monitoring the implementation of the performance plan

As defined in Article 37 of the Performance and Charging Regulation, NSAs are responsible for monitoring the implementation of the performance plan, in particular with a view to assessing whether the performance targets are met.

The NSA should include in the performance plan a description of the processes that will be put in place in order to monitor the implementation of the local performance targets and related elements contained in the performance plan. NSAs should report to the Commission the results of the monitoring in the preceding year on 1 June of each year of the reference period at the latest.

The NSA(s) concerned should ensure that robust processes and mechanisms are in place, at national level or within the FAB, for the purpose of collecting and assessing performance-related data and measure performance against targets. The NSA(s) should, in particular, make sure that the ANSP(s) subject to the performance plan establish the appropriate internal processes for the monitoring of performance in the four KPAs, and regularly report to the responsible NSA in accordance with the data provision and reporting requirements stemming from Articles 4 and 36 as well as Annex VI of the Performance and Charging Regulation. The NSA should request further clarifications or details from the ANSP in respect of the reported data, where necessary.

Mapping with Excel template for RP3 performance plans

Item	Excel template
Monitoring the implementation of the performance plan	Table 6.1

12.2 Deviation from targets during reference period

If, over the duration of a reference period, an NSA finds that the local targets are not being met, or that there is a risk of them not being met, the NSAs concerned should define and apply a set of **appropriate measures**, which should aim to rectify the situation and achieve the targets set in the performance plan. This should be communicated to the Commission.

Performance plans should thus contain a description of the measures foreseen to be put in place in the situation where performance targets are not reached during the reference period or there is a risk of them not being reached.

Examples of measures to address situations where targets are not met include (but are not limited to) the following:

- Enhanced consultation processes between stakeholders (e.g. ANSPs, airports and AUs);
- Actions enforcing identification and the promotion of best practices;
- Enhanced coordination between ANSPs and the Network Manager as regards to potential assistance required to deliver the desired level of services (i.e. using the comparison of ANS provision between Member States);
- Inclusion of performance monitoring as part of the annual oversight programme of the NSA authority, and inclusion of the related requirements in the framework of audits, assessments, investigations and inspections in accordance with point (b) of Article 5(1) of [Commission Implementing Regulation \(EU\) No 2017/373](#).

Mapping with Excel template for RP3 performance plans

Item	Performance plan template
Non-compliance with targets during reference period	Table 6.2

A Annex

A.1 Glossary of key terms

Term	Source ³²	Definition
Actual cost	Article 2(1) of 2019/317	A cost actually incurred in a calendar year for the provision of ANS which are subject to certified accounts or, in the absence of such certified accounts, subject to a final audit.
Air Navigation Services	Article 2(4) of 549/2004	This term includes air traffic services; communication, navigation and surveillance services; meteorological services for air navigation; and aeronautical information services
Air Navigation Service Provider	Article 2(5) of 549/2004	Any public or private entity providing air navigation services for general air traffic
Air Traffic Management	Article 2(10) of 549/2004	The aggregation of the airborne functions and ground-based functions (air traffic services, airspace management and air traffic flow management) required to ensure the safe and efficient movement of aircraft during all phases of operations.
Airport coordinator	Article 2(3) of 2019/317	The natural or legal person appointed by a Member State to carry out the coordination duties at coordinated airports set out in Article 4 of Council Regulation (EEC) No 95/93 of 18 January 1993 on common rules for the allocation of slots at Community airports
Airport operator	Article 2(4) of 2019/317	Any legal or natural person who operates one or more aerodromes.
Airspace Users	Article 2(8) of 549/2004	Operators of aircraft operated as general air traffic.
Airspace users' representatives	Article 2(6) of 2019/317	Any legal person or entity representing the interests of one or several categories of airspace users.
Alert threshold	Article 9(4)(b) of 2019/317	A threshold of numerical value (e.g. traffic forecast) beyond which Member States may request a revision of the performance targets contained in performance plans.
Area Control Centre	Article 2(7) of 2019/317	A unit providing air traffic services to controlled flights in its area of responsibility.
Asset	ICAO Doc 9161	A resource from which future economic benefits are expected to flow to the entity that owns or controls it.

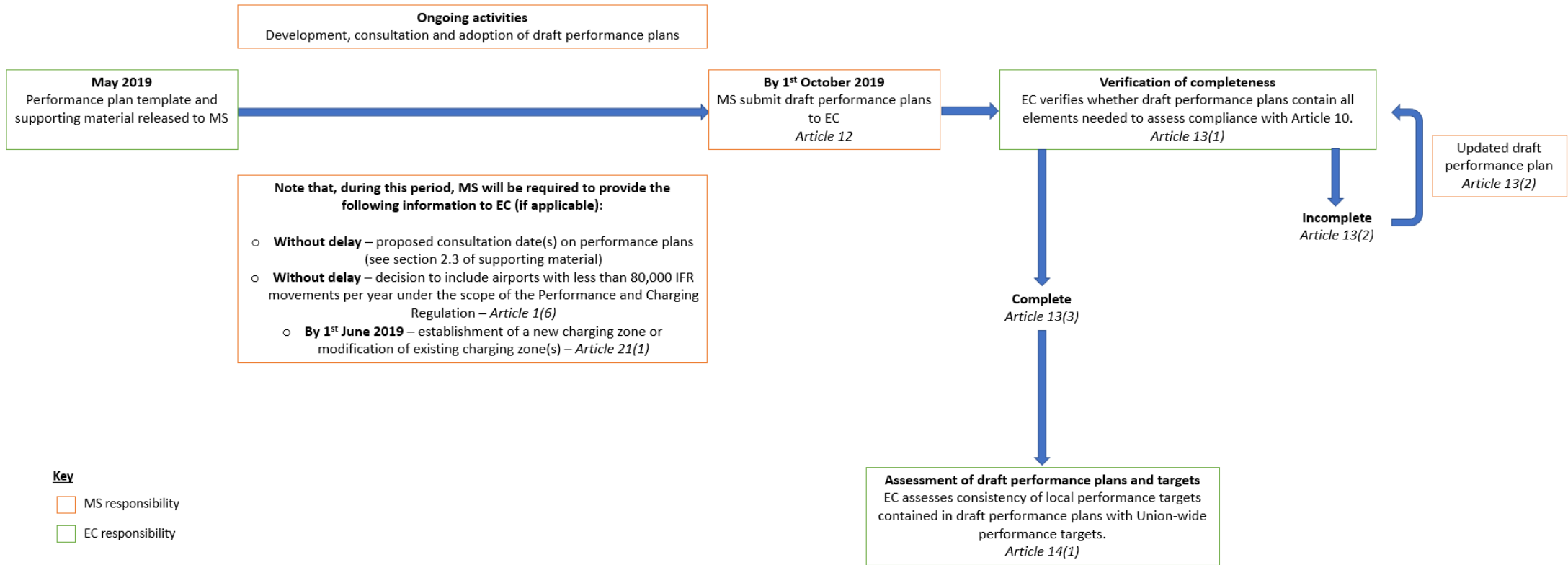
³² Unless otherwise stated, the definitions in this glossary are derived from either [Regulation \(EC\) No 549/2004](#) or [Commission Implementing Regulation \(EU\) No 2019/317](#).

Term	Source³²	Definition
Baseline values	Article 10(2)(a) of 2019/317	The values reflecting the starting point used for performance target setting in respect of en route cost-efficiency. Baseline values are calculated both in respect of the determined costs and the determined unit cost of the year preceding the start of the reference period. Baseline values apply at both Union-wide and local level.
Cost of capital	ICAO Doc 9161	The cost of raising debt or equity funds.
Cross-border services	Article 2(41) of 549/2004	Any situation where air navigation services are provided in one Member State by a service provider certified in another Member State.
En route charging zone	Article 2(8) of 2019/317	A volume of airspace that extends from the ground up to, and including, upper airspace, where en route air navigation service.
Estimated take off time	Annex I Section 1, 3.1(b) of 2019/317	The forecast of time when the aircraft will become airborne calculated by the Network Manager and based on the last estimated off-block time, or target off-block time for those airports covered by airport collaborative decision-making procedures, plus the estimated taxi-out time calculated by the Network Manager.
Eurocontrol	Article 2(20) of 549/2004	The European Organisation for the Safety of Air Navigation set up by the International Convention of 13 December 1960 relating to Cooperation for the Safety of Air Navigation.
Exceptional event	Article 2(9) of 2019/317	Circumstances under which ATM capacity is abnormally reduced so that the level of ATFM delays is abnormally high, as a result of a planned limitation induced through operational or technical change, major adverse weather circumstances, the unavailability of large airspace parts either through natural or political reasons, or industrial action, and the activation of the European Aviation Crisis Coordination Cell (EACCC) by the Network Manager.
Fixed asset	ICAO Doc 9161	Tangible assets that are permanent in nature and generally held for a period of more than one year (normally buildings and equipment).
Functional Airspace Block	Article 2(25) of 549/2004	An airspace block based on operational requirements and established regardless of State boundaries, where the provision of air navigation services and related functions are performance-driven and optimised with a view to introducing, in each functional airspace block, enhanced cooperation among ANSPs or, where appropriate, an integrated provider.

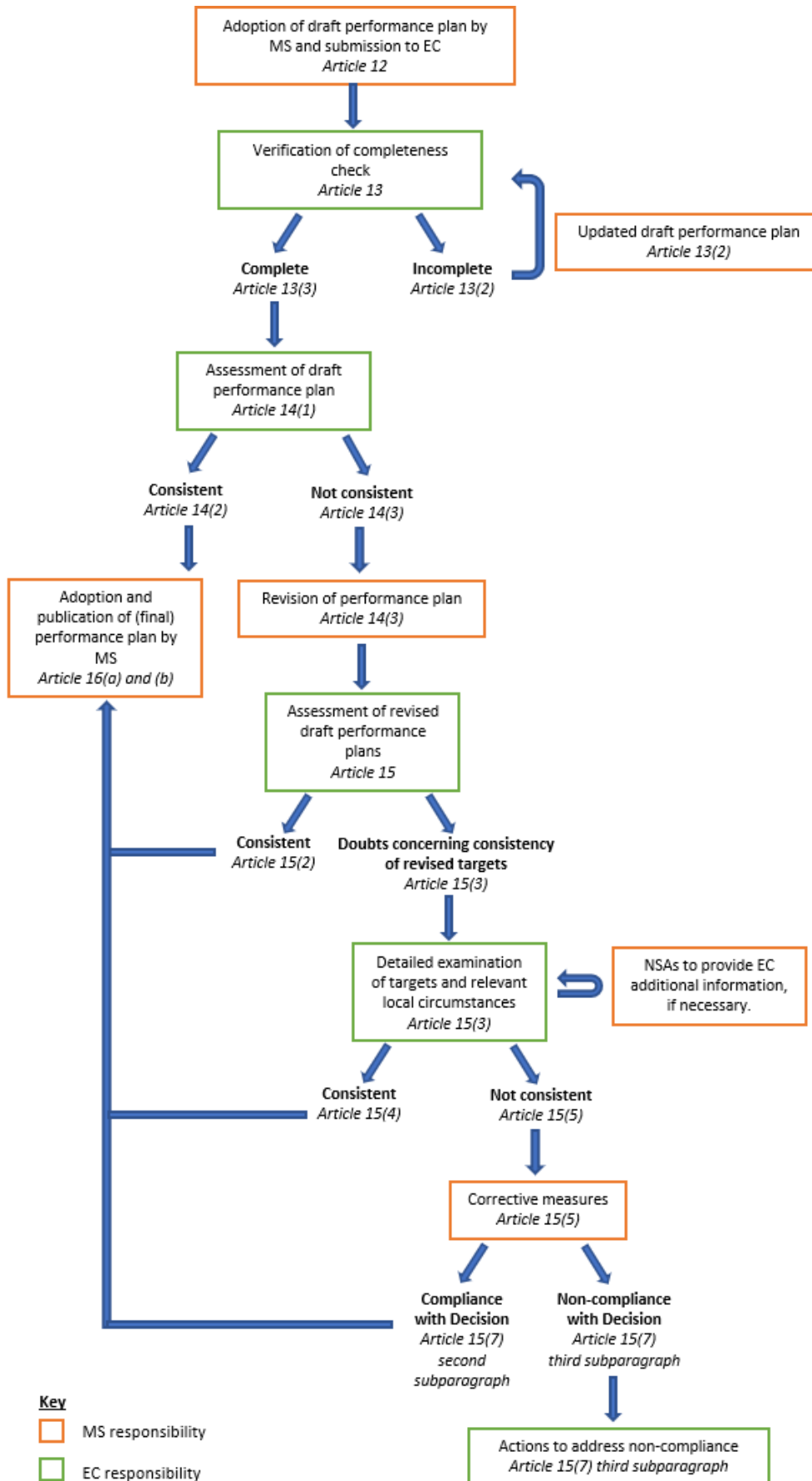
Term	Source ³²	Definition
IFR air transport movements per year	Article 2(9) of 2019/317	The sum of take-offs and landings performed under IFR, calculated as the yearly average over the three calendar years preceding the year in which the draft performance plan was to be submitted in accordance with Article 12.
Key Performance Areas	Article 11(1) of 549/2004	A way of categorising performance subjects related to high level ambitions and expectations. In accordance with Article 11(1) of Regulation (EC) No 549/2004, Union-wide and local performance targets are set in the areas of safety, environment, capacity and cost-efficiency.
Key Performance Indicators	Article 8 of 2019/217	Indicators used for the purpose of performance target setting and monitoring of Key Performance Areas, at Union-wide and local level.
Major investment	Article 2(13) of 2019/317	Acquisition, development, replacement, upgrade, or leasing of fixed assets representing a total value over the whole lifetime of the assets greater than EUR 5 million in real terms.
New and existing investment	Article 2(15) of 2019/317	Acquisition, development, replacement, upgrade or leasing of fixed assets where depreciation costs, cost of capital, or in the case of leasing, operating costs, for that investment are incurred during the reference period covered by the performance plan.
Pivot value	Article 11(3)(c) of 2019/317	A value used for the purpose of calculating the financial advantages or disadvantages in the incentive schemes pertaining to the capacity KPA. The value shall be based on the performance targets at national level, or a modulated target in accordance with point 1 of Annex XIII of the Performance and Charging Regulation.
Reference period	Article 2(16) of 2019/317	The period of validity and application of the Union-wide performance targets, as set out in point (d) of Article 11(3) of Regulation (EC) No 549/2004 and Article 7 of the Performance and Charging Regulation.
Reference value	Article 2(17) of 2019/317	The value computed by the Network Manager of <i>en route</i> ATFM delay for each Member State and each FAB for the purpose of ensuring that the Union-wide <i>en route</i> ATFM delay target is met.
Restructuring costs	Article 2(18) of 2019/317	Significant one-time costs incurred by ANSPs in the process of restructuring for introducing new technologies, procedures or business models to stimulate integrated service provision, compensating employees, closing air traffic control centres, shifting activities to new locations, writing off assets or acquiring strategic participations in other ANSPs.

Term	Source ³²	Definition
Terminal charging zone	Article 2(21) of 2019/317	An airport or a group of airports, located within the territories of a Member State, where terminal ANS are provided and for which a single cost base and a single unit rate are established.

A.2 Timeline for development and assessment of draft performance plans



A.3 Process to adopt draft performance plans



A.4 Applicability of indicators for monitoring to terminal ANS

KPA	Indicators for monitoring (covering TANS at all airports included in the scope of the performance plan)	Indicators for monitoring (only applicable to TANS at airports with a minimum of 80,000 IFR air transport movements per year)
<p>Safety</p>	<ul style="list-style-type: none"> • The rate of runway incursions at airports located in a Member State (point (a) of Section 1.2 of Annex I) • The rate of separation minima infringements within the airspace of all controlling air traffic services units in a Member State (point (b) of Section 1.2 of Annex I) • The rate of runway incursions at an airport calculated as the total number of runway incursions with any contribution from air traffic services or CNS services (point (c) of Section 1.2 of Annex I) • The rate of separation minima infringements within the airspace where the air navigation service provider provides air traffic services (point (d) of Section 1.2 of Annex I) • Where automated safety data recording systems are implemented, the use of these systems by the air navigation service providers, as a component of their safety risk management framework, for the purposes of gathering, storing and near-real time analyses of data related to, as a minimum, separation minima infringements and runway incursions (point (e) of Section 1.2 of Annex I) 	
<p>Environment</p>	<ul style="list-style-type: none"> • Share of arrivals applying Continuous Descent Operation (CDO) (point (e) of Section 2.2 of Annex I) 	<ul style="list-style-type: none"> • Additional time in the taxi-out phase (point (c) of Section 2.2 of Annex I) • Additional time in terminal airspace (point (d) of Section 2.2 of Annex I)

KPA	Indicators for monitoring (covering TANS at all airports included in the scope of the performance plan)	Indicators for monitoring (only applicable to TANS at airports with a minimum of 80,000 IFR air transport movements per year)
Capacity	<ul style="list-style-type: none"> Percentage of IFR flights adhering to their ATFM departure slots at local level (point (a) of Section 3.2 of Annex I) 	<ul style="list-style-type: none"> Average minutes of air traffic control pre-departure delay per flight caused by take-off restrictions at the departure airport (point (b) of Section 3.2 of Annex I) Average time, expressed in minutes, of departure delay from all causes per flight (point (c) of Section 3.2 of Annex I)
Cost-efficiency	<ul style="list-style-type: none"> Actual unit cost incurred by users separately for en route and terminal air navigation services (Section 4.2 of Annex I) 	