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From: General Secretariat of the Council

To: Delegations

Subject: Proposal for a Regulation of the European Parliament and of the Council on the European Border and Coast Guard and repealing Council Joint Action n°98/700/JHA, Regulation (EU) n° 1052/2013 of the European Parliament and of the Council and Regulation (EU) n° 2016/1624 of the European Parliament and of the Council

Following the agreement reached by the co-legislators in the trilogue on 28 March 2019 on the European Border and Coast Guard Regulation, the Commission has revised the legislative financial statement.

REVISED LEGISLATIVE FINANCIAL STATEMENT

following the Provisional Agreement between the co-legislators

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation on the European Border and Coast Guard repealing Regulation (EU) n° 1052/2013 of the European Parliament and of the Council and Regulation (EU) n° 2016/1624 of the European Parliament and of the Council

Policy area(s) concerned (*Programme cluster*)

Policy area: Migration and Home Affairs

Activity: Security and Safeguarding Liberties

Currently Heading 3, Title 18 – Home Affairs

1.2. Nature of the proposal/initiative

The proposal/initiative relates to **a new action**

The proposal/initiative relates to **a new action following a pilot project/preparatory action¹**

The proposal/initiative relates to **the extension of an existing action**

The proposal/initiative relates to **an action redirected towards a new action**

¹ As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

1.2.1.

1.3. Grounds for the proposal/initiative

1.3.1. Requirement(s) to be met in the short or long term

In the short run, the European Border and Coast Guard Agency is expected to continue conducting the Agency's core activities in relation to the management of the external borders and returns including EUROSUR in the same way as it was supported until now. The Agency's budget, including both the EU contribution and the contributions from the Schengen Associated countries, to continue all the activities under the Agency's current mandate would amount to EUR 637,6 million for 2019 and 2020 for the current MFF, and as proposed by the Commission EUR 2,47 billion for the next MFF. The overall financial resources needed and staff requirements are in line with the Legislative Financial Statements in place accompanying the Commission's proposals made at the time of respectively the European Border and Coast Guard Regulation, the ETIAS Regulation and the Interoperability Regulation. The present proposal aims to reform the European Border and Coast Guard by establishing the Agency's new capabilities, in particular by setting up the European Border and Coast Guard standing corps and acquiring the Agency's own equipment, as well as to adequately address other new or upgraded tasks. For that purpose, an amount of EUR 141,1 million needs to be added to the Agency's budget for 2019 and 2020 under the current Multiannual Financial Framework. For the period of 2021-2027, a total of EUR 6,97 billion will be needed to cover all the new and upgraded tasks and functions.

Overall, the total costs of the existing and future mandate would amount to EUR 778,7 million for the period of 2019-2020 and to EUR 9,44 billion for the 2021-2027 period.

The main elements of the proposal can be summarised as follows in terms of substance and timeline:

The establishment of the European Border and Coast Guard standing corps of 10.000 operational staff by 2027:

- The operational staff of the European Border and Coast Guard standing corps means border guards, return escorts, return specialists and other relevant staff employed by the European Border and Coast Guard Agency, seconded to the Agency by the Member States or provided for short term deployment by the Member States to act as members of border

management teams, migration management support teams or return teams having executive powers. The European Border and Coast Guard standing corps will consist of four categories of operational staff implying the following costs.

- Category 1 (the staff of the Agency): The statutory staff will be an essential component of the European Border and Coast Guard Standing corps. The number of the Agency's operational staff within the corps is expected to grow from 750 in 2019 to 3000 by 2027. Temporary Agents and Contract Agents will be represented at the share of 50% each. The corresponding staff costs were calculated based on standard units (ie € 143,000 per TA/year and € 74,000 per CA/year) subject to a correction coefficient of 75% throughout the multiannual financial planning. This assumption is based on the current coefficient of 68% in the seat of the Agency, increased by a 10% safety margin to accommodate possible future increases in the actual correction coefficient. In case of any changes requiring higher amounts than those programmed with the use of the 75% correction coefficient, the Commission will review the resulting salary needs for Category 1 staff along with the needs for other expenditure items, and propose the necessary overall level of the EU contribution to the Agency, in accordance with the budgetary procedure. For Category 1, the proposal foresees deployment costs calculated with the assumption that all the Agency's own operational staff members will be deployed to operational areas, on a nearly permanent basis. The calculation of deployment costs are based on approximation of the daily rates used currently by the Agency (on average € 200 per day) subject to 40% reduction given the long-term nature of such deployments. Staff recruited under this category will be able to act as members of the teams deployed from the European Border and Coast Guard standing corps to carry out border control and return tasks, including those with executive powers. Given this specificity of the Agency's operational staff, all the newly recruited staff should undergo a full-fledged inception training for border control or return functions of around 6 months costing approximately € 40.000 per person. Afterwards, each year specialised or refreshment training would be needed for the Agency's operational staff with an approximate cost of € 10.000 per person. In order to effectively contribute with the required capacities of category I staff to the deployments of the EBCG standing corps as set out in Annex 1, the Agency shall launch the necessary preparations, including recruitment and training carried out one year in advance, as of the entry into force of this Regulation and in accordance with the budgetary rules and the staff planning provided in this Legal Financial Statement.

- Category 2 (operational staff seconded by Member States for a long term duration): this type of operational staff is also expected to grow from 400 in 2021 to 1500 by 2027. The proposal foresees that the seconded staff will be permanently deployed in the different operational areas. So the main costs will be related to deployment. Similarly to Category 1, the deployment costs were calculated with the assumption that all the staff members will be deployed during their secondments on a long term basis. The same average daily rate (ie € 200 per day subject to 40% reduction due to the long missions) was applied as for category 1. The training needs of operational seconded staff will be accommodated with an estimated yearly cost of € 5.000 per staff member.
- Category 3 (operational staff deployed by Member States for a short duration). This category of operational staff is expected to gradually increase within the European Border and Coast Guard standing corps from 3600 members in 2021 to 5500 in 2027. The main costs of this part of the European Border and Coast Guard standing corps are related to their deployment. Similarly to Category 1 and 2, the deployment costs were calculated with the use of the same average daily rate (ie € 200 per day) calculated for 30 days per month, covering up-to maximum 4 months of deployment. However, contrary to Category 1 and 2, the deployment costs are not subject to the 40% reduction applicable in case of long missions.
- Category 4 Reserve for Rapid Reaction (operational staff provided by Member States for rapid border interventions) was agreed by co-legislators with the additional capacity of 1500 officers to be maintained until 2024. This reserve can only be activated for rapid border interventions (so far only two such interventions took place), therefore no regular financing for such operations is budgeted except in the form of the already existing "financial operational reserve" amounting at least to 2 % of the allocation foreseen jointly for the joint operations at the external border and operational activities in the area of return. • In addition, for Category 2 and 3, the proposal foresees a financial support system to support and secure the long term development of Member States' human resources by enabling them to hire and train additional staff to provide the necessary flexibility to comply with their mandatory contribution to the European Border and Coast Guard standing corps while keeping sufficient own national capacities. The system is calculated on the yearly basic salary of a Contract Agent of Function Group III Grade 8 Step 1 to which a relevant co-efficient was applied per each Member State ("base amount"). For Category 2, 100% of the "base amount" is multiplied by the number of operational staff expected to be seconded by a Member State in year n+2 (ie

for 2021 the reference year is 2023). For Category 3, a share (the Commission's proposed 30% was increased to 37% by co-legislators) of the "base amount" corresponding to the mandatory availability of 4 months is multiplied by the number of operational staff effectively deployed in the previous year by a Member State. For category 3, the co-legislators decided to provide pro rata payments in relation to deployments with a duration of less or more than 4 months. Finally, the co-legislators decided to introduce a possibility of compensatory payment to address the training investments bore by the national border guard services in case of the Agency recruit staff members of category 1 directly from the active service in such authorities. It should be calculated as one off payment amounting to 50% of the reference amount.

- Overall, the setting up and deployment of the EUROPEAN BORDER AND COAST GUARD standing corps in the period of 2019-2027 would cost EUR 3,43 billion including both the EU Contribution and Schengen Associated Countries

The acquisition of the Agency's own equipment

- To overcome the persistent gaps in the voluntary pooling of technical equipment from Member States, in particular as regards large scale assets, the Agency should have its own necessary equipment to be deployed in joint operations or rapid border interventions or any other operational activities.
- While the Agency has been legally able to acquire or lease its own technical equipment since 2011, this possibility was significantly hindered by the lack of necessary budgetary resources. With the adoption of the 2016 Regulation, the Agency was provided with a dedicated budget of EUR 40 million to acquire small and medium size equipment and the Agency has made progress to use these opportunities.
- As a natural consequence of these developments as well as to match the level of ambitions underlying the establishment of the European Border and Coast Guard standing corps, the Commission considers that a significant envelope (EUR 2,2 billion) should be made available to the Agency under the 2021-2027 multiannual financial framework to allow it to acquire, maintain and operate the necessary air, sea and land assets corresponding to the operational needs.

- While the acquisition of the necessary assets could be a lengthy process, especially for large assets, the Agency's own equipment should ultimately become the backbone of the operational deployments with additional contributions of Member States to be called upon in exceptional circumstances. The Agency's equipment should be largely operated by the Agency's technical crews being part of the European Border and Coast Guard standing corps. In order to ensure the effective use of the proposed financial resources for the Agency's own equipment, the process shall be based on a multiannual strategy decided as early as possible by the management board and accompanied by an action plan.

- The Agency's own equipment should complement a pool of technical equipment provided by the Member States, in particular the means of transport and operating equipment purchased by Member States under the Specific Actions of the Internal Security Fund.

The Agency's antenna offices

- Taking into account the enhanced mandate of the European Border and Coast Guard Agency, the setting up of the European Border and Coast Guard standing corps and its strengthened presence on the ground at the Union's external borders and its increased engagement in the field of returns, it should be possible for the Agency to establish antenna offices situated at locations in proximity of its significant operational activities for the period of duration of these activities, to act as an interface between the Agency and the host Member State and to deal with coordination, logistical and support tasks as well as to facilitate cooperation between the Agency and the host Member State.

- In order to enable the development of antennas the Agency shall be provided with additional budget. Currently, the gradual setting up of 5 antennas is foreseen. The relevant budget foreseen under the current MFF (2019-2020) is EUR 1,5 million, while for the next MFF (2021-2027) is EUR 11,3 million.

FADO

- The co-legislators agreed that the Agency will take over and manage the FADO system, however, a separate legal act will be required and will be negotiated in the new legislative period. However, in order to ensure a coherent picture of the future Agency financial resources, FADO related costs, including operational and personnel costs, IT systems and software, maintenance and security infrastructure, are kept in this Legal Financial Statement.

The costs related to the migration and maintenance of FADO would amount to EUR 1,5 million under the current MFF (2020) and EUR 10,5 million under the next MFF (2021-2027).

The Agency's activities in the area of return

- The proposal aims to significantly reinforce the Agency's support for Member States in the field of return and also the cooperation with third countries in this area, including the acquisition of travel documents.
- In this regard, an amount of EUR 1,75 billion should be added to the Agency's budget for the next MFF (2021-2027) with approximately EUR 250 million per year in view of facilitating the return of 50000 returnees per year.

Evolution of EUROSUR

- Overall, the evolution of EUROSUR will impact the Agency's budget with a total EUR 20 million under the current MFF (2019-2020) and EUR 140 million under the next MFF (2021-2027) and with 100 additional staff drawn from the human resources described in the following paragraph.
- The improvement of the functioning of the system is estimated for the Agency to require an 35 additional staff consisting mainly of IT experts and data analysts.
- The enlargement of the scope of EUROSUR to include border crossing points and air border surveillance, to adress secondary movements, to improve information exchange with third countries and to manage integrated planning is estimated an 65 additional staff composed of IT experts, risks analysts and operators and planners.
- The Copernicus Space Programme will continue to support the deployment of the EUROSUR Fusion Services with earth observation products and services while the Research Framework programme will continue to support the development of new information services and surveillance technologies.
- The instruments of DG NEAR and DG DEVCO will continue supporting the development of Integrated Border Management including National Coordination Centres in third countries.

- In addition to the Agency's budget, in order to support the implementation of the evolution of EUROSUR on the side of Member States, the proposal will have implications on the use of resources from the Internal Security Fund Border and Visa in 2020 (EUR 52,5 million) and the future Integrated Border Management Fund (EUR 647,5 million) in the period of 2021-2027. The relevant actions will be implemented in shared or direct management.

Human resources

As for the human resources, the Agency is expected to reach 1000 staff members by 2020. In order to establish the European Border and Coast Guard standing corps, the Agency will be allocated with additional staff: starting with 750 staff members in 2019 and reaching 3000 staff members by 2027. The additional staff will be equally split between temporary agents and contractual agents. The new posts will be largely used to recruit and train operational staff members under Category 1 of the European Border and Coast Guard standing corps. However, this category will also include staff members foreseen for the setting up and operation of the ETIAS's Central unit.

Moreover, within the above-mentioned figure of 3000 posts, the Agency could use up to 4% of the total size of the Standing corps to recruit staff members to support the establishment of the European Border and Coast Guard standing corps (recruitment, daily management, operational planning etc), staff to support the Fundamental Rights Officer, including fundamental rights monitors, staffing of antennas, the acquisition of the Agency's equipment, other new tasks related to the functioning of the European Border and Coast Guard, including EUROSUR, the reinforced mandate for returns and the takeover of FADO once the relevant legislative act is adopted.

1.3.2. Added value of EU involvement

The objective of this proposal is to ensure a European integrated management of the EU's external borders, with a view to managing migration effectively and ensuring a high level of security within the Union, while safeguarding the free movement of persons therein. In an area without internal borders, irregular immigration through the external borders of one Member State affects all other Member States within the Schengen area. An area without internal borders is only sustainable if the external borders are effectively secured and protected.

Since the control of the Union's external borders is a common and shared interest which must be carried out in accordance with high and uniform Union standards, the objectives of this proposal cannot be sufficiently achieved by the Member States, and can be better accomplished at the level of the Union, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union

The proposal is intended to respond to the new challenges and political realities faced by the Union, both as regards migration management and internal security. It reinforces a tool box of capabilities available to the European Border and Coast Guard, notably by setting up the European Border and Coast Guard standing corps of 10 000 operational staff by 2027 to comprehensively deal with challenges in the management of EU borders and return. It ensures that rules on integrated border management are fully and correctly implemented by Member States in line with a coherent multiannual strategic policy cycle, that appropriate action is taken to prevent crisis situations and to respond effectively at an early stage at the external borders if such a situation arises and it is only when the situation becomes more critical, that urgent action is taken at Union level for direct intervention on the ground.

In particular, the EU added value of EUROSUR is fully acknowledged by the EU border management community. Removing the EUROSUR framework is not conceivable since most Member States now depend on it for border surveillance.

The EUROSUR Fusion Services bring a real added value to the end users involved in border surveillance. No national border guard organisation alone could afford the space based surveillance services and other long range platforms offered by the EUROSUR Fusion Services.

1.3.3. Lessons learned from similar experiences in the past

The Frontex Agency was set up in 2004 and became operational in 2005. As requested by the Hague programme, the Commission adopted on 13 February 2008 a Communication on the evaluation and future development of the Frontex Agency (COM(2008) 67 final).

The Communication issued recommendations for the short to medium term and launched ideas for the future development of the Agency in the longer term. For the longer term perspective the crucial role of Frontex in the development of the European Union's integrated border management system was underlined.

In conclusion the Commission recommended a number of improvements for how the Agency operates within its mandate and that in the medium-term the mandate should be revised.

In addition to the abovementioned Commission Report on the evaluation and future development of the Frontex Agency an independent evaluation took place during 2008. That evaluation contracted by the Frontex Management Board as requested by Article 33 of the Frontex Regulation, provided additional points of view and factual elements on the working practices of the Agency. It also issued a series of recommendations to the Frontex Management Board. Against this background, the Agency's mandate was amended in 2011 to enable it to respond to the new challenges.

Despite the improvements introduced by the 2011 amendment, following the clear political guidance provided by the European Council in the course of 2015 on the role of the Frontex Agency in addressing the increasing migratory pressures and the external evaluation of the Frontex Agency in 2014/2015, the further revamping of the Agency's mandate is needed.

The 2015 migration crisis, with its unprecedented irregular arrivals on EU soil , gave rise to many challenges for the migration policy of the EU and its Member States. The crisis showed that the Union framework and operational capacities had not been designed to sustain such massive migratory pressure. The intense migratory pressure and the subsequent secondary movements also put a strain on the Schengen area, forcing several Member States to reintroduce internal border controls.

Immediately taking actions, the Commission came forward with a wide range of measures, for the short term as well as the long term, including to: prevent further losses of migrants' lives at sea, strengthen the EU external borders, reduce the incentives for irregular migration and strengthen the common asylum policy. In particular, a proposal for significantly enhancing the mandate of the Union's in border agency was presented in December 2015 and negotiated in a record time during 2016. The Regulation on the European Border and Coast Guard entered into force on 6 October 2016, and the new mandate, with increased capacities and resources has been speedily implemented since then. Yet, more remains to be done towards further improving our framework in the area of control of external borders, returns and asylum. In its conclusions of 28 June 2018, the European Council called for further strengthening the supportive role of the European Border and Coast Guard Agency, including in the cooperation with third countries, through increased resources and an enhanced mandate.

The key objective is to equip the Agency with the European Border and Coast Guard standing corps in order to ensure the effective control of the EU's external borders and to significantly step up the effective return of irregular migrants.

1.3.4. Compatibility and possible synergy with other appropriate instruments

This proposal is consistent with the European Council conclusions of 28 June 2018 strengthening further the supportive role of the European Border and Coast Guard Agency, including in the cooperation with third countries, through increased resources and an enhanced mandate, with a view to ensure the effective control of the EU's external borders and significantly stepping up the effective return of irregular migrants. Also in line with the European Council Conclusions, it is coherent with the objective of building an internal migration policy which is based on a balance between solidarity and responsibility: the establishment of the European Border and Coast Guard standing corps with well-defined mandatory contributions of all Member States to enable the European Border and Coast Guard Agency to provide effective support to frontline Member States is an essential element of European solidarity.

This proposal builds on the existing border management policy and toolbox, in particular the European Border and Coast Guard established by Regulation (EU) No 2016/1624. Over the past two years, the operationalisation of this new framework has been significantly progressing, notably by delivering the first cycles of vulnerability assessments and setting up the rapid reaction pools to respond to emergency situations. Through the European Border and Coast Guard standing corps of 10,000 operational staff rolled out by 2027, this proposal substantially expands the capabilities of the Agency, and therefore of the Union, to respond effectively to present or future threats and challenges at the external borders by proactively reinforcing, assessing, and coordinating the actions of Member States at the external borders and with third countries as well as to ensure a credible return policy.

The evaluation report of EUROSUR concluded that the EUROSUR framework has met its objectives, that the EUROSUR functioning could be improved by evolving from a technical information system into a governance framework for information exchange and cooperation, covering border control and possibly also other selected components of European Integrated Border Management. As provided for in the annexed Report on the evaluation of EUROSUR, EUROSUR fosters synergies and thus coherence with other policies: the National Coordination Centre is a focal point for operational cooperation with other policy actors in

areas such as maritime affairs, security and customs control. It is also a good example for civil/military cooperation as several National Coordination Centres are hosting also military actors such as Navy officers.

At EU level the EUROSUR Fusion Services is a tool which can be used for other coast guard functions such as fisheries control. There are also mutual benefits for external security as for instance EUROSUR information products have been shared via the Agency with the CSDP operation EUNAVFOR Med Sophia.

The EUROSUR Fusion Services are also a tool to operationalise research projects and programs and are a concrete outcome of the EU Space Programme Copernicus.

The proposed evolution of EUROSUR and the enlargement of its scope will improve the overall coherence with Integrated Border Management and lead to other cooperation in particular with the Aviation Sector but also in the area of EU external action.

Thus, through the integration of the European Border Surveillance System (Eurosir) into the framework of the European Border and Coast Guard, the proposal further fosters a spirit of cooperation, information exchange and the coordination of efforts between the Member States and the European Border and Coast Guard Agency, as well as among national authorities and Union Agencies, with concrete and binding commitments. It also builds upon Regulation (EU) No 656/2014 establishing rules for the surveillance of the external sea borders in the context of operational cooperation coordinated by Frontex.

The proposal clarifies the relation between vulnerability assessments carried out by the Agency and the Schengen evaluation mechanism established by Regulation (EU) No 1053/2013 in view of maximising synergies between these two mechanisms which are essential for European quality control on the functioning of the Schengen area.

This proposal builds upon and further develops those existing policy provisions and brings them together in the European Border and Coast Guard, thus establishing an integrated management system for external borders at Union level as provided for in Article 77(2)(d) of the Treaty on the Functioning of the European Union.

This proposal is consistent with the comprehensive long-term policy on better migration management as set out by the Commission in the European Agenda on Migration, which developed President Juncker's Political Guidelines into a set of coherent and mutually

reinforcing initiatives based on four pillars. Those pillars consist of reducing the incentive for irregular migration, securing external borders and saving lives, a strong asylum policy and a new policy on legal migration. This proposal further implements the European Agenda on Migration, more specifically as regards the objective of securing external borders as the European Border and Coast Guard will implement European Integrated Border Management. Moreover, It responds to the request of the European Council for strengthening further the supportive role of the European Border and Coast Guard Agency, including in the cooperation with third countries, through increased resources and an enhanced mandate, with a view to ensure the effective control of the EU's external borders and significantly stepping up the effective return of irregular migrants.

This proposal is closely linked and complements other Union policies, namely:

- The Common European Asylum System with the setting up of migration management support teams at hotspot areas, and the reinforced cooperation with the European Union Asylum Authority;
- The external action policy of the Union as the European Border and Coast Guard Agency facilitates and encourages operational cooperation between Member States and third countries and, where relevant, support third countries, with its expanded capabilities, including the possibilities of deploying the European Border and Coast Guard standing corps in third countries, as well as by reinforced cooperation with the authorities of third countries on return, including as regards the acquisition of travel documents. The proposed improvements related to information exchange and cooperation with third countries will further improve the consistency of the EU external action.
- The European Border and Coast Guard Agency, including through EUROSUR, triggers a strong interagency cooperation with many EU Agencies in other policy areas such as the European Maritime Safety Agency (EMSA), the European Fisheries Control Agency (EFCA) and the EU Satellite Centre, EUROPOL or the European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (EU LISA).
- The European Border and Coast Guard, especially through its EUROSUR components will remain a driver for research and innovation both at Member States and EU level. The new EUROSUR Fusion Services are a tool to operationalise EU research projects and a

concrete outcome of the EU Space Programmes such as Copernicus, but also Galileo and GOVSATCOM.

- This proposal is consistent with the Commission proposal (COM(2018) 303 final) to revise the Regulation on the creation of a European network of immigration liaison officers (ILO). The objective of the revision of the ILO Regulation is to enhance coordination and to optimise the use of immigration liaison officers, including the new European liaison officers deployed to third countries to enable them to respond more effectively to EU priorities in the field of migration, including integrated border management. The proposal will complement this approach by ensuring proper links between the ILOs and the national coordination centres (NCC) and a better political coordination of the external dimension of the European Border and Coast Guard through bi and multilateral agreements.

1.4. Duration and financial impact

Proposal/initiative of **limited duration**

- Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY
- Financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations

Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.5. Management mode(s) planned²

Direct management by the Commission

- by its departments, including by its staff in the Union delegations;
- by the executive agencies

Shared management with the Member States

Indirect management by entrusting budget implementation tasks to:

- third countries or the bodies they have designated;
 - international organisations and their agencies (to be specified);
 - the EIB and the European Investment Fund;
 - bodies referred to in Articles 70 and 71 of the Financial Regulation;
 - public law bodies;
 - bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
 - bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
 - persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

² Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The Agency is subject to regular monitoring and reporting requirements. The Management Board of the Agency shall adopt each year a consolidated annual activity report of the Agency for the previous year and forward it by 1 July at the latest to the European Parliament, the Council, the Commission and the Court of Auditors. This report shall be made public. Every four years, the Commission shall conduct an evaluation in accordance with the evaluation criteria of the Commission guidelines to assess particularly the impact, effectiveness and efficiency of the Agency's performance and its working practices in relation to its objectives, mandate and tasks. The evaluation shall, in particular, address the possible need to modify the mandate of the Agency, and the financial implications of any such modification

2.2. Management and control system

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

Through shared management Member States implement programmes that contribute to the policy objectives of the Union, which are tailor-made to their national context. Shared management ensures that financial support is available in all participating states. Furthermore, shared management allows for funding predictability and for Member States, who are most knowledgeable of the challenges they are faced with, to plan their long-term endowments accordingly. Top-up funding for specific actions (which require cooperative efforts amongst Member States or where new developments in the Union require additional funding to be made available to one or more Member States) and for resettlement and transfer activities can be implemented through shared management. In a new development, the Fund can also provide emergency assistance through shared management, in addition to direct and indirect management.

Through direct management, the Commission supports other actions that contribute to the common policy objectives of the Union. The actions enable tailor-made support for urgent and specific needs in individual Member States ('emergency assistance'), support transnational networks and activities, test innovative activities that could be scaled up under

national programmes and cover studies in the interest of the Union as a whole ('Union actions').

Through indirect management, the Fund retains the possibility of delegating budget implementation tasks to, inter alia, international organisations and home affairs agencies for particular purposes.

The payment arrangements for shared management are described in the Common Provisions Regulation (CPR) proposal, which provides for an annual pre-financing, followed by a maximum of four interim payments per programme and year based on the payment applications sent by the Member States during the accounting year. As per the CPR proposal the pre-financing is cleared within the final accounting year of the programmes. The control strategy will be based on the new Financial Regulation and on the Common Provisions Regulation. The new Financial Regulation and the proposal for CPR should extend the use of the simplified forms of grants such as lump-sums, flat rates and unit costs. It also introduces new forms of payments, based on the results achieved, instead of the cost. Beneficiaries will be able to receive a fixed amount of money if they prove that certain actions such as training courses or delivery of emergency assistance have taken place. This is expected to simplify the control burden both at beneficiary and Member State level (e.g. check of bills and receipts for costs).

For shared management, the CPR proposal³ builds on the management and control strategy in place for the 2014-2020 programming period but introduces some measures aimed at simplifying the implementation and reducing the control burden at the level of both beneficiaries and Member States.

The new developments include: - the removal of the designation procedure (which should make it possible to speed up the implementation of the programmes); - management verifications (administrative and on-the-spot) to be carried out by the managing authority on a risk basis (compared to the 100 % administrative controls required in the 2014-2020 programming period). Furthermore, under certain conditions, the managing authorities may apply proportionate control arrangements in line with the national procedures; - conditions to avoid multiple audits on the same operation/expenditure. The programme authorities will submit to the Commission interim payment claims based on expenditure incurred by

³ COM(2018)375 Final.

beneficiaries. The CPR proposal allows the managing authorities to carry out management verifications on a risk basis and also provides for specific controls (e.g. on-the-spot controls by the managing authority and audits of operations/expenditure by the audit authority) after the associated expenditure has been declared to the Commission in the interim payment claims. In order to mitigate the risk of reimbursing ineligible expenditure, the CPR caps the Commission's interim payments at 90 %, given that at this moment only part of the national controls have been carried out. The Commission will pay the remaining balance following the annual clearance of accounts exercise, upon receipt of the assurance package from the programme authorities. Any irregularities detected by the Commission or the European Court of Auditors after the transmission of the annual assurance package may lead to a net financial correction.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

The high migratory pressure on the external borders of the European Union requires the creation of the European Border and Coast Guard composed of the Member States's authorities and the European Border and Coast Guard Agency. An extension of the competences of the European Border and Coast Guard Agency and of the scope of EUROSUR is also necessary.

Reinforcement of the Agency's staffing and financial resources is necessary in order to comply with the extended mandate and requirements laid down by the proposed Regulation.

The Agency's accounts will be submitted for the approval of the Court of Auditors, and subject to the discharge procedure. The Commission's Internal Audit Service will carry out audits in cooperation with the Agency's internal auditor.

The management and control systems established under the different financial programmes (e.g. Internal Security Fund) used will be applied.

Shared management:

DG HOME has not been facing important risks of errors in its spending programmes. This is confirmed by the recurrent absence of significant findings in the annual reports of the Court of Auditors. Furthermore, DG HOME has already revised its legal basis (Regulation (EU) 2015/378 and Delegated Regulation (EU) 1042/2014) to align further to the control

framework of the other Funds under the Common Provisions Regulation and their assurance model and to continue maintaining a low level of errors in its spending programmes. This effort of alignment continues with the current proposal, where the Control Framework is consistent with the other DGs managing funds under shared management. In shared management, the general risks in relation to the implementation of the current programmes concern the under-implementation of the Fund by the Member States and the possible errors derived from the complexity of rules and weaknesses in management and control systems. The CPR simplifies the regulatory framework by harmonising the rules and management and control systems across the different Funds implemented under shared management. It also enables risk-differentiated control requirements (e.g. risk-based management verifications, possibility for proportionate control arrangements based on national procedures, limitations of audit work in terms of timing and/or specific operations).

Direct/indirect management: Based on the recent analysis of the main causes and types of most commonly detected errors in ex post audits the main areas of non-compliance stem from poor financial management of the grants awarded to the beneficiaries, missing or inadequate supporting documents, incorrect public procurement, and costs not budgeted. Consequently the risks are mainly due to: – ensuring quality of selected projects and their subsequent technical implementation, unclear or incomplete guidance provided to beneficiaries or insufficient monitoring; – risk of inefficient or non-economic use of funds awarded, both for grants (complexity of reimbursing actual eligible costs coupled with limited possibilities to check eligible costs at the desk) and for procurement (sometimes limited number of economic providers with the required specialist knowledge entailing insufficient possibilities to compare price offers); – risk relating to the capacity of (especially) smaller organisations to effectively control expenditure as well as to ensure the transparency of operations carried out. – reputational risk for the Commission, if fraud or criminal activities are discovered; only partial assurance can be drawn from the third parties’ internal control systems due to the rather large number of heterogeneous contractors and beneficiaries, each operating their own control system, often rather small in size. Most of these risks are expected to be reduced thanks to a better design of calls for proposals, guidance to beneficiaries, targeting of proposals and the better use simplified costs and cross-reliance on audits and assessments as included in the new Financial Regulation. The Court of Auditors assessed in 2016 the DG HOME's systems for direct management (procurement included) and concluded that DG HOME implemented the relevant controls required by the financial regulation and the review

did not reveal major weaknesses. The same level of supervision and controls is to be maintained in the future.

Direct/indirect management: Based on the recent analysis of the main causes and types of most commonly detected errors in ex post audits the main areas of non-compliance stem from poor financial management of the grants awarded to the beneficiaries, missing or inadequate supporting documents, incorrect public procurement, and costs not budgeted. Consequently the risks are mainly due to: – ensuring quality of selected projects and their subsequent technical implementation, unclear or incomplete guidance provided to beneficiaries or insufficient monitoring; – risk of inefficient or non-economic use of funds awarded, both for grants (complexity of reimbursing actual eligible costs coupled with limited possibilities to check eligible costs at the desk) and for procurement (sometimes limited number of economic providers with the required specialist knowledge entailing insufficient possibilities to compare price offers); – risk relating to the capacity of (especially) smaller organisations to effectively control expenditure as well as to ensure the transparency of operations carried out. – reputational risk for the Commission, if fraud or criminal activities are discovered; only partial assurance can be drawn from the third parties' internal control systems due to the rather large number of heterogeneous contractors and beneficiaries, each operating their own control system, often rather small in size. Most of these risks are expected to be reduced thanks to a better design of calls for proposals, guidance to beneficiaries, targeting of proposals and the better use simplified costs and cross-reliance on audits and assessments as included in the new Financial Regulation.

The Commission takes part in the governance of European Border and Coast Guard Agency by participating as a member in the Management Board. In 2017, following the revision of DG HOME's organigramme, the Commission revised its decision on the Commission representatives in the Management Boards, providing in most cases for higher representation through the involvement of the Deputy Directors-General.

The operational units for particular policies are involved in numerous contacts at working level, coordination meetings, providing opinions on annual work programme, draft budget, staff policy plan and monitoring of their implementation. Contacts at higher level, notably of the Director-General with the Executive Directors and the Chairs of the Management Boards, are also taking place throughout the year.

DG HOME follows the European Border and Coast Guard Agency's budget from the preparation of the budgetary procedure through the implementation of the annual EU contribution, until the submission of the accounts and the discharge process. Monitoring of budget implementation is necessary, also to promote the implementation rate and avoid to the extent possible that payment appropriations be returned by agencies during the last quarter of the year.

Following the IAS audit on "Coordination and working arrangements with EU decentralized agencies in DG HOME", DG HOME proposed an action plan to address the audit recommendations, mainly in relation to increasing awareness of staff dealing with agencies in DG HOME, earlier involvement in agencies programming phase, strengthening its monitoring of agencies' performance based on appropriate performance indicators, establishment of a control strategy and reinforcing the building blocks of the declaration of assurance regarding payments made to agencies.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

Shared management: The cost of controls is expected to remain the same or potentially be reduced for Member States. For the present (2014-2020) programming cycle, as of 2017, the cumulative cost of control by the Member States is estimated at approximately 5 % of the total amount of payments requested by the Member States for the year 2017. This percentage is expected to decrease with efficiency gains in implementation of the programmes and increase in payments to Member States. With the risk-based approach to management and controls being introduced in the CPR coupled with an enhanced drive to adopt simplified cost options (SCOs), the cost of controls for Member States is expected to be reduced further.

Direct/indirect management: The cost of controls amounts to approximately 2.5 % of the payments made by DG HOME. This is expected to stay stable or slightly decrease in the event of the use of SCOs being broadened in the next programming period.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.

For the Agency

The Executive Directive will implement the Agency's budget. He/she will each year submit to the Commission, the Management Board and the Court of Auditors the detailed accounts of all revenue and expenditure from the previous financial year. In addition, the Commission's Internal Audit Service will assist in the management of the Agency's financial operations by controlling risks, monitoring compliance by providing an independent opinion on the quality of management and control systems and making recommendations in order to improve the efficiency and the effectiveness of operations and to ensure economy in the use of the Agency's resources.

The Agency will adopt its Financial Regulation following Regulation No 1271/2013, after having received the agreement of the Commission and the Court of Auditors. The Agency will put in place an internal audit system similar to that introduced by the Commission in the framework of its own restructuring.

Cooperation with OLAF

The staff subject to the Commission's Staff Regulations will cooperate with OLAF to combat fraud.

For the Court of Auditors

The Court of Auditors will examine the accounts in accordance with Article 248 of the Treaty and publish an annual report on the Agency's activities.

Anti-fraud measures established at national and European level fully apply.

DG HOME Funds

Fraud prevention and detection is one of the objectives of internal control as stipulated in the Financial Regulation and a key governance issue, which the Commission has to address throughout the whole expenditure life cycle.

In addition, DG HOME's anti-fraud strategy (AFS) mainly aims at prevention, detection and reparation of fraud, ensuring inter alia that its internal anti-fraud related controls are fully aligned with the Commission's anti fraud strategy (CAFS) and that its fraud risk management approach is geared to identifying fraud risk areas and adequate responses.

As regards shared management, Member States will ensure the legality and regularity of expenditure included in their accounts submitted to the Commission. In this context, Member States will take all required actions to prevent, detect and correct irregularities, including fraud. As in the present (2014-2020) programming cycle Member States are obliged to put in place procedures for detection of irregularities and anti-fraud and to report to the Commission irregularities, including suspected fraud and established fraud in the areas of shared management. Anti-fraud measures will remain a cross-cutting principle and obligation for Member States.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

| Heading of multiannual financial framework | Budget line | Type of expenditure | Contribution | | | |
|--|---|------------------------------|----------------------------------|---------------------------------------|----------------------|--|
| | Heading 3 'Security and Citizenship' | Diff./Non-diff. ⁴ | from EFTA countries ⁵ | from candidate countries ⁶ | from third countries | within the meaning of Article 21(2)(b) of the Financial Regulation |
| 3 | 18.020101 Internal Security Fund – Borders and Visa | Diff. | NO | NO | YES | NO |
| 3 | 18.0203 European Border and Coast Guard Agency | Diff. | NO | NO | YES | NO |

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

| Heading of multiannual financial framework | Budget line | Type of expenditure | Contribution | | | |
|--|--|---------------------|---------------------|--------------------------|----------------------|--|
| | Heading 4: 'Migration and Border Management' | Diff./Non-diff. | from EFTA countries | from candidate countries | from third countries | within the meaning of Article 21(2)(b) of the Financial Regulation |
| 4 | 11.XXYY Border and Management and Visa Instrument (BMVI) | Diff. | NO | NO | YES | NO |

⁴ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

⁵ EFTA: European Free Trade Association.

⁶ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

| | | | | | | |
|---|--|-------|----|----|-----|----|
| 4 | 11.XXYY European Border and Coast Guard Agency | Diff. | NO | NO | YES | NO |
|---|--|-------|----|----|-----|----|

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

– MFF 2014-2020

| | | |
|---|----------|----------------------------|
| Heading of current multiannual financial framework | 3 | ‘Security and Citizenship’ |
|---|----------|----------------------------|

EUR million (to three decimal places)

| | | | 2019 | 2020 ⁷ | TOTAL ⁸ |
|--|------------------------|-----|------|-------------------|--------------------|
| Operational appropriations (ISF –B) | Commitments | (1) | | 52.500 | 52.500 |
| | Payments | (2) | | 52.500 | 52.500 |
| Appropriations of an administrative nature financed from the envelope of the programme ⁹ (ISF –B) | Commitments = Payments | (3) | | - | |

⁷ For the period 2019-2020, the legislative financial statement illustrates the impact of the new mandate excluding what has already been foreseen under the existing mandate. In the course of 2019, the Commission will review the possibility to finance the impact of the new mandate within the appropriations included in the 2019 budget for the existing mandate.

⁸ The amount of EUR 52,500 million is covered by the current MFF for the year 2020 and requires no further reinforcement.

| | | | | | |
|---|-------------|------|--------|---------|---------|
| Operational and administrative appropriations ¹⁰ (European Border and Coast Guard Agency) | Commitments | (1) | 14,540 | 126,606 | 141,146 |
| | Payments | (2) | 14,540 | 126,606 | 141,146 |
| TOTAL appropriations for the envelope of the programme | Commitments | =1+3 | 14,540 | 179,106 | 193,646 |
| | Payments | =2+3 | 14,540 | 179,106 | 193,646 |

| | | |
|---|----------|--|
| Heading of multiannual financial framework 2014-2020 | 5 | ‘Administrative expenditure’ ¹¹ |
|---|----------|--|

EUR million (to three decimal places)

| | Year 2019 | Year 2020 | TOTAL |
|-------------------|---------------------|---------------------|--------------|
| DG: HOME | | | |
| • Human resources | 1.144 | 1.144 | 2.288 |

⁹ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former ‘BA’ lines), indirect research, direct research.

¹⁰ While the template relates operational appropriations, in case of agencies in order to present in comprehensive way the impact of the operational activities, it seems more appropriate to take into account to operational appropriations (Title 3) but also corresponding administrative credits (Title 1 and 2).

¹¹ While the template relates operational appropriations, in case of agencies in order to present in comprehensive way the impact of the operational activities, it seems more appropriate to take into account to operational appropriations (Title 3) but also corresponding administrative credits (Title 1 and 2). It includes only EU contribution (94%), while for DG HOME funds (100%) was taken into account, as the details of SAC contribution are to be seen later on.

| | | | | |
|--|--------------------------------------|-------|-------|--------------|
| • Other administrative expenditure | | 0.080 | 0.080 | 0.160 |
| TOTAL DG MIGRATION AND HOME AFFAIRS | Appropriations | 1.224 | 1.224 | 2.448 |
| TOTAL appropriations under HEADING 5 of the multiannual financial framework 2014-2020 | (Total commitments = Total payments) | 1.224 | 1.224 | 2.448 |

| | | 2019 | 2020 | TOTAL |
|--|-------------|-------------|-------------|----------------|
| TOTAL appropriations across HEADINGS * of the current multiannual financial framework | Commitments | 15,764 | 180,330 | 196,094 |
| | Payments | 15,764 | 180,330 | 196,094 |

*The amount of EUR 52,500 million is covered by the current MFF for the year 2020.

– **MFF 2021-2027**

| | | |
|---|----------|--|
| Heading of multiannual financial framework 2021-2027 | 4 | Heading: Migration and Border Management |
|---|----------|--|

EUR million (to three decimal places)

| | | | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | TOTAL ¹² |
|--|------------------------|----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|---------------------|
| Operational appropriations (BMVI) | Commitments | (1) | 70.000 | 80.000 | 90.000 | 100.000 | 101.000 | 102.000 | 104.500 | 647.500 |
| | Payments | (2) | 70.000 | 80.000 | 90.000 | 100.000 | 101.000 | 102.000 | 104.500 | 647.500 |
| Appropriations of an administrative nature financed from the envelope of the programme ¹³ | Commitments = Payments | (3) | | | | | | | | |
| Operational and administrative appropriations (European Border and Coast Guard Agency) | Commitments | (1) | 846,906 | 1.043,042 | 1.219,834 | 1.359,559 | 1.562,088 | 1.669,183 | 1.747,978 | 9.448,591 |
| | Payments | (2) | 846,906 | 1.043,042 | 1.219,834 | 1.359,559 | 1.562,088 | 1.669,183 | 1.747,978 | 9.448,591 |
| TOTAL appropriations for the envelope of the programme | Commitments | =1+ 3 | 916,906 | 1.123,042 | 1.309,834 | 1.459,559 | 1.663,088 | 1.771,183 | 1.852,478 | 10.096,091 |
| | Payments | =2+ 3 | 916,906 | 1.123,042 | 1.309,834 | 1.459,559 | 1.663,088 | 1.771,183 | 1.852,478 | 10.096,091 |

¹² The amount of EUR 647,500 million is covered by the next MFF for the years 2021-2027 and were foreseen under BMVI and were foreseen under the BMVI proposal of June 2018.

¹³ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

| | | |
|---|----------|----------------------------------|
| Heading of multiannual financial framework 2021-2027 | 7 | ‘European Public Administration’ |
|---|----------|----------------------------------|

EUR million (to three decimal places)

| | | Year 2021 | Year 2022 | Year 2023 | Year 2024 | Year 2025 | Year 2026 | Year 2027 | TOTAL |
|--|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| DG: HOME | | | | | | | | | |
| • Human resources | | 1.144 | 1.144 | 1.144 | 1.144 | 1.144 | 1.144 | 1.144 | 8.008 |
| • Other administrative expenditure | | 0.080 | 0.080 | 0.080 | 0.080 | 0.080 | 0.080 | 0.080 | 0.560 |
| TOTAL DG MIGRATION AND HOME AFFAIRS | Appropriations | 1.224 | 1.224 | 1.224 | 1.224 | 1.224 | 1.224 | 1.224 | 8.568 |
| TOTAL appropriations under HEADING 7 of the multiannual financial framework 2021-2027 | (Total commitments = Total payments) | 1.224 | 1.224 | 1.224 | 1.224 | 1.224 | 1.224 | 1.224 | 8.568 |

EUR million (to three decimal places)

| | | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | TOTAL |
|---|-------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------|
| TOTAL appropriations across HEADINGS ** of the multiannual financial framework 2021-2027 | Commitments | 918,130 | 1.124,266 | 1.311,058 | 1.460,783 | 1.664,312 | 1.772,407 | 1.853,702 | 10.104,659 |
| | Payments | 918,130 | 1.124,266 | 1.311,058 | 1.460,783 | 1.664,312 | 1.772,407 | 1.853,702 | 10.104,659 |

**The amount of EUR 647,500 million is covered by the next MFF for the years 2021-2027 and were foreseen under the BMVI proposal of June 2018.

3.2.2. *Summary of estimated impact on on the total European Border and Coast Guard Agency's budget (including operational and administrative appropriations and taking into account the contributions of the Schengen associated countries).*

EUR million (to three decimal places)

| Indicate objectives and outputs | Year | | Year | | Year | | Year | | Year | | Year | | Year | | Year | | Year | | TOTAL | |
|---|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-----------------|--------------------|-------|--------------------|--------------|---------------------|
| | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | | 2027 | | Total number | Total cost |
| | Number of staff | Cost | Number of staff | Cost | Number of staff | Cost | Number of staff | Cost | Number of staff | Cost | Number of staff | Cost | Number of staff | Cost | Number of staff | Cost | | | | |
| SPECIFIC OBJECTIVE NO 1 "EXISTING MANDATE" | | | | | | | | | | | | | | | | | | | | |
| EBCGA | 880 | 330,095 | 1000 | 342,795 | 1000 | 349,651 | 1000 | 356,644 | 1000 | 363,776 | 1000 | 371,052 | 1000 | 378,473 | 1000 | 386,042 | 1000 | 393,763 | 1000 | 3,272,291 |
| ETIAS (infrastructure and operating) | | - | | 5,456 | | 5,130 | | 5,130 | | 4,045 | | 4,045 | | 4,045 | | 4,123 | | 4,267 | | 36,240 |
| Interoperability (infrastructure and operation) | | - | | - | | - | | 0,274 | | 2,660 | | 0,053 | | - | | - | | - | | 2,987 |
| Subtotal for specific objective N°1 | | 330,095 | | 348,251 | | 354,780 | | 362,048 | | 370,481 | | 375,150 | | 382,518 | | 390,166 | | 398,030 | | 3,311,518 |
| SPECIFIC OBJECTIVE NO 2 "EBCG S STANDING CORPS" | | | | | | | | | | | | | | | | | | | | |
| Staff Costs (Category 1) | 0 | 15,258 | 0 | 71,203 | 650 | 81,375 | 1.000 | 101,719 | 1.150 | 122,063 | 1.150 | 142,406 | 1.650 | 183,094 | 2.150 | 223,781 | 2.650 | 244,125 | 2.650 | 1.185,023 |
| Deployment Costs (Category 1-2-3) | 0 | - | 0 | - | 4.650 | 129,420 | 5.000 | 145,200 | 5.650 | 163,140 | 6.150 | 179,940 | 7.650 | 228,540 | 8.650 | 265,140 | 9.650 | 301,740 | 9.650 | 1.413,120 |
| Training (Category 1-2) | 0 | - | 650 | 26,000 | 1.050 | 8,500 | 1.650 | 32,500 | 1.650 | 14,000 | 2.400 | 35,250 | 3.150 | 41,500 | 3.900 | 47,750 | 4.150 | 34,000 | 4.150 | 239,500 |
| Subsidy (Category 2-3) | 0 | - | 0 | 14,694 | 4.000 | 53,859 | 4.000 | 60,092 | 4.500 | 72,921 | 5.000 | 82,969 | 6.000 | 98,489 | 6.500 | 101,200 | 7.000 | 103,932 | 7.000 | 588,156 |
| Training compensation (Category 1) | 0 | - | 250 | 4,000 | 250 | - | 250 | - | 375 | 2,000 | 375 | - | 500 | 2,000 | 625 | 2,000 | 750 | 2,000 | 750 | 12,000 |
| Subtotal for specific objective N°2 | | 15,258 | | 115,897 | | 273,154 | | 339,511 | | 374,124 | | 440,566 | | 553,622 | | 639,871 | | 685,797 | | 3,437,800 |
| SPECIFIC OBJECTIVE NO 3 " ACQUISITION OF AGENCY'S OWN EQUIPMENT" | | | | | | | | | | | | | | | | | | | | |
| EBCG Equipment Costs* | | - | | - | | 70,000 | | 175,000 | | 280,000 | | 330,000 | | 425,000 | | 445,000 | | 475,000 | | 2,200,000 |
| Subtotal for specific objective N°3 | | - | | - | | 70,000 | | 175,000 | | 280,000 | | 330,000 | | 425,000 | | 445,000 | | 475,000 | | 2,200,000 |
| SPECIFIC OBJECTIVE NO 4 "STRENGTHENING OF THE AGENCY'S RETURN ACTIVITIES" | | | | | | | | | | | | | | | | | | | | |
| Return | | - | | - | | 180,000 | | 210,000 | | 250,000 | | 277,500 | | 277,500 | | 277,500 | | 277,500 | | 1,750,000 |
| Subtotal for specific objective N°4 | | - | | - | | 180,000 | | 210,000 | | 250,000 | | 277,500 | | 277,500 | | 277,500 | | 277,500 | | 1,750,000 |
| SPECIFIC OBJECTIVE NO 5 "EUROPEAN BORDER SURVEILLANCE - EUROSUR & PLANNING ACTIVITIES" | | | | | | | | | | | | | | | | | | | | |
| Improving the functioning of EUROSUR | | - | | 3,000 | | 3,000 | | 3,000 | | 3,000 | | 3,000 | | 3,000 | | 3,000 | | 3,000 | | 24,000 |
| Enlarging the scope of EUROSUR | | - | | 17,000 | | 17,000 | | 17,000 | | 17,000 | | 17,000 | | 17,000 | | 17,000 | | 17,000 | | 136,000 |
| Subtotal for specific objective N°5 | | - | | 20,000 | | 20,000 | | 20,000 | | 20,000 | | 20,000 | | 20,000 | | 20,000 | | 20,000 | | 160,000 |
| SPECIFIC OBJECTIVE NO 6 "INTEGRATION OF FADO" | | | | | | | | | | | | | | | | | | | | |
| FADO | 1 | - | 1 | 1,500 | 1 | 1,500 | 1 | 1,500 | 1 | 1,500 | 1 | 1,500 | 1 | 1,500 | 1 | 1,500 | 1 | 1,500 | 1 | 12,000 |
| Subtotal for specific objective N°6 | | - | | 1,500 | | 1,500 | | 1,500 | | 1,500 | | 1,500 | | 1,500 | | 1,500 | | 1,500 | | 12,000 |
| SPECIFIC OBJECTIVE NO 7 "SETTING OF ANTENNAS" | | | | | | | | | | | | | | | | | | | | |
| Antenna | 2 | 0,210 | 2 | 1,290 | 5 | 1,530 | 5 | 1,561 | 5 | 1,592 | 5 | 1,624 | 5 | 1,656 | 5 | 1,689 | 5 | 1,723 | 5 | 12,874 |
| Subtotal for specific objective N°7 | | 0,210 | | 1,290 | | 1,530 | | 1,561 | | 1,592 | | 1,624 | | 1,656 | | 1,689 | | 1,723 | | 12,874 |
| TOTAL COST | | - 345,562 | | - 486,938 | | - 900,964 | | - 1.109,620 | | - 1.297,696 | | - 1.446,339 | | - 1.661,796 | | - 1.775,726 | | - 1.859,551 | | - 10.884,193 |

3.2.3. Estimated impact on European Border and Coast Guard Agency's human resources

3.2.3.1. Summary

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

The staff and corresponding costs are already foreseen in COM(2015)671. The staff number should remain constant from year 2020 at the level of 1000.

| | Year 2019 | Year 2020 | Year 2021 | Year 2022 | Year 2023 | Year 2024 | Year 2025 | Year 2026 | Year 2027 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Temporary agents (AD Grades) | 242 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 |
| Temporary agents (AST grades) | 242 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 |
| Contract staff | 202 | 230 | 230 | 235 | 250 | 234 | 230 | 230 | 230 |
| Seconded National Experts | 194 | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 |
| TOTAL | 880 | 1000 | 1000 | 1005 | 1020 | 1004 | 1000 | 1000 | 1000 |

The development of the statutory staff as part of the European Border and Coast Guard standing corps/

Staff requirements (FTE):

| | Year 2019 | Year 2020 | Year 2021 | Year 2022 | Year 2023 | Year 2024 | Year 2025 | Year 2026 | Year 2027 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Temporary agents (AD Grades) | 188 | 250 | 250 | 375 | 375 | 500 | 625 | 750 | 750 |
| Temporary agents (AST) | 187 | 250 | 250 | 375 | 375 | 500 | 625 | 750 | 750 |

| | | | | | | | | | |
|----------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| grades) | | | | | | | | | |
| Contract staff | 375 | 500 | 500 | 750 | 750 | 1.000 | 1.250 | 1.500 | 1.500 |
| TOTAL | 750 | 1.000 | 1.000 | 1.500 | 1.500 | 2.000 | 2.500 | 3.000 | 3.000 |

Please indicate the planned recruitment date and adapt the amount accordingly (if recruitment occurs in July, only 50 % of the average cost is taken into account) and provide further explanations.

Staff Requirements Detailed

The European Border and Coast Guard standing corps will consist of four different categories of operational staff.

The operational staff of the European Border and Coast Guard standing corps means border guards, return escorts, return specialists and other relevant staff employed by the European Border and Coast Guard Agency, seconded to the Agency by the Member States or provided for short term deployment by the Member States to act as members of border management teams, migration management support teams or return teams having the executive powers as well as personnel responsible for the functioning of the central unit of ETIAS.

Category 1 being the statutory staff will be a new type of the EU staff within the Agency on which executive powers are conferred, including the use of force, when acting as team members deployed from the European Border and Coast Guard standing corps.

Taking into account that indispensable support is needed for the establishment of the European Border and Coast Guard standing corps (recruitment, daily management, operational planning, etc.), coordinating ²operations, monitoring of fundamental rights through monitors under the Fundamental Rights Officer, staffing of antennas, the acquisition of the Agency's equipment, other new tasks related to the European Border and Coast Guard functioning, including Eurosur, the reinforced mandate for returns and the takeover of FADO, up to 4% of the total number of the European Border and Coast Guard Standing Corps (4% of 10.000) could be foreseen to be employed as "Operational Support Staff" within the Agency as statutory staff members.

In terms of type of posts, the statutory staff will be composed of 25% of ADs, 25% of AST and 50% of contract agents. This breakdown represents the expected distribution of different profiles, roles and functions within the European Border and Coast Guard standing corps. In particular, a significant number of AD staff with the necessary skills, knowledge and professional expertise related to use of the state-of-the-art equipment will be needed in order to operate the Agency's own equipment (ie captains and officers within technical crew of aircraft and vessels). A significant number of AD staff will be also necessary to ensure planning and coordination functions for the increased operational activities carried out by the European Border and Coast Guard standing corps as compared with the current level of the Agency's engagement. A number of AD staff will also deliver managerial activities within the statutory staff. Furthermore, the balance between different types of staff members should be considered in the context technology evolution where a number of basic border management tasks will be automated while the complexity of the system will require higher level of qualification for the staff which will operate and maintain it.

3.2.3.2. Estimated requirements of human resources for the parent DG

- The proposal does not require the use of human resources.
- The proposal requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|-------------------|------|------|------|------|------|------|------|------|
| • Establishment plan posts (officials and temporary staff) | | | | | | | | | |
| 18 01 01 01 (Headquarters and Commission's Representation Offices) | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| XX 01 01 02 (Delegations) | | | | | | | | | |
| XX 01 05 01 (Indirect research) | | | | | | | | | |
| 10 01 05 01 (Direct research) | | | | | | | | | |
| • External staff (in Full Time Equivalent unit: FTE)¹⁴ | | | | | | | | | |
| XX 01 02 01 (AC, END, INT from the 'global envelope') | | | | | | | | | |
| XX 01 02 02 (AC, AL, END, INT and JED in the delegations) | | | | | | | | | |
| XX 01 04 yy ¹⁵ | - at Headquarters | | | | | | | | |
| | - in Delegations | | | | | | | | |
| XX 01 05 02 (AC, END, INT - Indirect research) | | | | | | | | | |
| 10 01 05 02 (AC, END, INT - Direct research) | | | | | | | | | |
| Other budget lines (specify) | | | | | | | | | |
| TOTAL | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

¹⁴ AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

¹⁵ Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

Description of tasks to be carried out:

| | |
|-------------------------------|--|
| Officials and temporary staff | 8 officials to perform the following tasks: 1) Represent the Commission in the Management Board of the Agency. 2) Draw up Commission opinion on the annual work programme and monitor its implementation. 3) Supervise the preparation of the Agency's budget and monitor implementation of the budget. 4) Assist the Agency in developing its activities in line with EU policies including by participating in experts meetings. |
| External staff | |

3.2.4. Third-party contributions

The proposal/initiative:

- does not provide for co-financing by third parties
- provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

| Years | | | | | | 2019 | 2020 | TOTAL |
|---|--|--|--|--|--|--------|--------|---------------|
| Schengen Associated Countries ¹⁶ | | | | | | 20,734 | 28,976 | 49,710 |
| TOTAL appropriations co-financed | | | | | | 20,734 | 28,976 | 49,710 |

| Years | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | TOTAL |
|----------------------------------|--------|--------|--------|--------|--------|---------|---------|----------------|
| Schengen Associated Countries | 54,058 | 66,577 | 77,862 | 86,780 | 99,708 | 106,544 | 111,573 | 603,102 |
| TOTAL appropriations co-financed | 54,058 | 66,577 | 77,862 | 86,780 | 99,708 | 106,544 | 111,573 | 603,102 |

¹⁶ The contribution of Schengen Associated countries is annually calculated by the EBCG Agency taking into account the size of the EU contribution and GDP ratio for countries concerned. It equals approximately 6% of the total Agency's budget. The contribution is cashed in by the Agency

3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
 - on own resources
 - on other revenue

please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

| Budget revenue line: | Impact of the proposal/initiative ¹⁷ | | | | | | |
|----------------------|---|------|------|------|------|------|------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| Article | | | | | | | |

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

¹⁷ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.