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NOTE

from : General Secretariat
to : Delegations

Subject : Analysis and Assessment of Frontex' Annual Activity Report 2009

In Accordance with Article 40(2) of Frontex' Financial Regulation (FFR), adopted by Frontex' Management Board on 16 December 2008 (36/2008), delegations will find enclosed the Analysis and Assessment of Frontex' Annual Activity Report 2009, adopted by Frontex' Management Board on 28 June 2010.

Warsaw, 28 June 2010

**Analysis and Assessment by Frontex Management Board
based on
FRONTEX ANNUAL ACTIVITY REPORT 2009**

Art. 40(1) of the Frontex Financial Regulation (FFR)¹ stipulates that

“The authorising officer shall report to the Management Board on the performance of his duties in the form of an annual activity report, together with financial and management information confirming that the information contained in the report presents a true and a fair view except as otherwise specified in any reservations related to defined areas of revenue and expenditure. The annual activity report shall indicate the results of his operations by reference to the objectives set, the risks associated with these operations, the use made of resources provided and the efficiency and effectiveness of the internal control system”.

With his letter of 10 June 2010, the Executive Director of Frontex submitted the Frontex Annual Activity Report for 2009 to the Chairperson of the Management Board.

The report provides a comprehensive and detailed enumeration of activities carried out by the Agency within the remit of its mandate during 2009. In accordance with the requirements outlined by the Frontex Financial Regulation, the report also provides an overview of the risks related to those activities, the measures to be taken and the use of financial and human resources.

The report depicts an organisation proceeding from its inception phase to its consolidation phase facing all the challenges associated with this progression. Over the last 5 years, the Agency has been and still is exposed to strong demand for co-ordination activities at not only an operational level but also at the political level. This demand has been accompanied by an increase in budget which has almost quadrupled since the Agency's establishment.

However, budget increases do not always engender an immediate increase in the number of operational activities. These activities typically undergo a lengthy preparation phase which involves all parties that will host or participate during the operational activities according to a detailed operational plan. This impediment is

¹ Management Board Decision 36/2008

evident in the level of budget utilisation (i.e. payments) which was 61% in 2009, even though this represented an increase relative to the 51% level of utilisation observed in 2008. Nevertheless, the progress made since the Agency's establishment points in the right direction with efforts being made and actions put into place to raise the level of utilisation to 70 – 73% by the end of 2010.

As outlined in Frontex' external evaluation and consequently in the recommendations adopted by the Management Board an increased ability to deploy equipment owned by Frontex would shorten the planning process and decrease dependencies that impact negatively on the level of budget utilization.

As in 2009, the Management Board recognised that in order to raise the level of budget utilisation, the authorities in the Member States also need to further increase their efforts, in tandem with Frontex. As before, these efforts will have to focus on the full implementation of 'pre-financing' to be used as a tool during the initial phase of a co-financed Frontex-coordinated operation at the Member State level. In addition, solutions to enable interim payments (after the finalisation of phases) have to be further developed and tested, especially for mid- to long-term operations (programming).

Moreover, the use of carry-overs (both automatic and based on the decision of the Management Board) has to be monitored vigourously. The experience gained since the establishment of the Agency and historical data gathered on actual costs and use of carried over funds should allow a more tailored financial framework to be applied.

The current distribution of expenditures remained at the level of 71% operational versus 29% administrative, which can be seen as characteristic for public organisations in the inception and consolidation phases, when infrastructure (personnel and technical) has to be built-up. Considering that expenditures for staff (Title 1) account for almost 18% of the budget and that more than 60% of Frontex' staff members are directly allocated to operational activities on a full-time basis, allows to support a shift in the distribution towards an 82 versus 18 proportion, favouring operational over administrative expenditures.

The report further shows that, to a limited but acceptable extent, some objectives as established by the Frontex Programme of Work for 2009, have either not been or not fully been achieved. During the course of the year, any such deviations from planned objectives were elevated to the Management Board using scorecards as a reporting tool.

For such objectives, the report provides sufficient justification and assurances that the procedural slow-downs did not jeopardise the Agency nor did they hinder the performance of Member States' authorities for border control and border management.

Since 2008, Frontex has gone through a significant change process with respect to the structure of the Organisation. The year 2009 has revealed the impact of this structural change with the establishment of Frontex' Multi Annual Plan (MAP 2010 – 2013) and the implementation of a mid-term approach regarding the planning and clustering of operational activities (programming).

From a strategic perspective processing of personal data will be crucial for Frontex. Already within the current mandate the effectiveness could be increased by enriching intelligence and intelligence products with personal data. Furthermore, operational/administrative task could be conducted in a more effective way by processing national information in a centralized system.

This is also evident in the outcome of the self-assessment on the effectiveness and efficiency of the internal-control standards. Considering the move towards more horizontal execution of activities, communication has remained the focus with the identification of some weaknesses to overcome. The tightening of linkages between the divisions needs to be further developed.

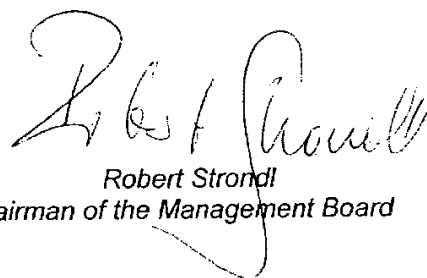
In human resources, the issue of attracting suitable candidates in a prompt and timely manner has been only partly resolved. The location of the Agency still creates challenges for the recruitment of skilled personnel. In addition there remains detriments to remuneration such as the up and downs of the correction-coefficient applied to salaries and the exposure to the risks of exchange-rate volatility.

Frontex can be seen as an effective Agency which delivers the expected products, services and projects of established quality and of anticipated practical utility to the authorities within Member States that are competent for border control and border management. Additionally, it is justified to state that in 2009 Frontex carried out its activities more efficiently. This can be seen by comparing the increase in the number of operational days with the increase in financial resources used for their delivery – output has increased from 2937 days in 2008 to 5088 days in 2009 (+73%) while financial inputs have risen from 70 M Euros in 2008 to 88 M Euros in 2009 (+25%).

The products and services delivered by Frontex enable the aforementioned authorities to perform their responsibilities more effectively but also in a more efficient way. Undeniably, Frontex activities add value to Member States' activities and contribute to the implementation of integrated border management.

Done by written procedure on 28 June 2010

For the Management Board



Robert Strondl
Chairman of the Management Board