



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 16 April 2007

7914/07

EUROPOL 32

COVER NOTE

from: Europol
to: Article 36 Committee / COREPER / Council
Subject: Five years Financing Plan 2008-2012

1. Article 35(4) of the Europol Convention, as amended by the 2003 Protocol¹, reads:

"The five-year financing plan shall be sent to the Council. It shall also be forwarded by the Council to the European Parliament for information."

2. Recently the Europol Management Board has approved the Financing Plan 2008-2012 and sent it to the Council. The plan is set out in Annex.
3. The Article 36 Committee is requested to invite COREPER / Council to note the annexed Financing Plan 2008-2012 and forward it to the European Parliament for information.

¹ OJ C 2, 6.1.2004, p. 3.

Financing Plan 2008-2012

1. Introduction

In accordance with Article 35(3) of the Europol Convention and Article 11 of the Financial Regulation, Europol hereby presents its Five-Year Financing Plan for the years 2008-2012. This plan is presented as an integral part of the Business Plan for the same period which is presented together with this document.

In the Five-Year Business Plan 2008-2012, an overview is given of the activities which are foreseen to be financed through the Europol budgets for the five years in question. In this note a brief explanation is given of how the related costs have been estimated and the result is shown in the attached annex.

The Financing Plan is a non-binding planning instrument.

2. The plan

Amounts in millions

	2007	2008	2009	2010	2011	2012
Plan 2007-11	67.9	76.6	80.0	80.3	84.4	-
Plan 2008-12	-	63.9	75.9	70.0	72.5	75.2
Difference		- 12.7	- 4.1	- 10.3	- 11.9	

Over the four-year period covered by both the existing Financing Plan 2007-2011 and the new Financing Plan 2008-2012 there is an overall decrease of approximately € 39.0 M, based on the following:

- The provision for salaries is decreased by approximately € 6.4M which is the combined effect of 27 new posts in 2008 (of which the budget for 14 new posts is reduced under Title 6) and a reduction of the inflation correction for the period starting July-2006 from 3.5% to 1.5% based on the most recent figures for inflation. In addition Europol has reduced the percentage used for the calculation of future yearly inflation from 3.5% to 2%;

- The effect of a reduction in Title 3 (Other Expenditure) and in particular for activity related costs initiated for 2007 and continued in 2008, in combination with a reduction for inflation from 3.5% to 2% comes to a saving of approximately € 4.1;
- The combined effect of a reduction for inflation from 3.5% to 2% for costs for the Management Board, the Joint Supervisory Body, the Financial Controller, the Joint Audit Committee and the Police Chiefs Task Force comes to a net decrease of almost € 4.6M;
- The overall decrease for costs related to IMT in 2008 in combination with the effect of a reduction for inflation from 3.5% to 2% amounts to a reduction of € 23.9 M.

2.1 Personnel

The Financing Plan 2007-2011 foresaw an increase in posts of 10 per year. For the period 2008-2012 this increase has been kept at the same level except for 2008 where an overall increase of 27 posts is proposed. This increase consists of the 10 posts as included in the Financing Plan 2007-2011. In addition 3 posts have been budgeted specifically for the work related to implementation of the Draft Council Decision (File no: 2210-217r1). The budget for these 3 additional posts will only be called up in case the Draft Council Decision enters into force. Finally, 14 new posts have been included to cover the resource request of the IMT Department (File no: 2210-211r2). The budget that has been added for these 14 new posts under Title 2 has at the same time been reduced under Title 6 where the budget foresaw to cover for consultancy costs.

Based on experience from previous years Europol has decided to reduce the projected increase in salaries as a consequence of inflation to 2% instead of 3.5%.

2.2 Other expenditure

The figures covering this part have been calculated on the basis of the amount in the DB 2008 bearing in mind an annual inflation rate of 2%. For 2010 an additional increase of 8% has been included to foresee an increase in running costs (cleaning, energy, catering, etc) as a result of the new, larger Headquarters in comparison to the current Europol buildings. It remains to be seen whether in practice these funds will be required but for the moment it is considered the safest option to include this in the financial planning.

2.2.1. *New building*

The estimate of the costs for Europol in relation to the new Europol headquarters was previously included in the Financing Plan 2007-2011. The main investment costs were at the time foreseen for 2008 (€ 5.16M) and 2009 (4.36M). Due to delays with the New Headquarters Programme the current expectation is that these investment costs, adding up to € 9.56M, will only incur in 2009.

Included in the DB 2008 is an amount of € 520,000 within Title 2 and Title 3 for costs in relation to consultancy, project support, meetings, travel, etc. under the relevant budget articles.

From 2010 onwards the figures included in the plan are related to maintenance costs.

The figures presented are indicative. Once more clarity exists about the expected costs the amounts included in the multi-annual planning will have to be amended accordingly.

2.3 Bodies and organs

The figures for the Bodies and Organs part of the budget had been based on the bids received from the Management Board Secretariat, Joint Supervisory body, Financial Controllers office, and the police chiefs task force. However, in line with comments received from the Management Board in March, these bids have been reduced with € 730,000 overall in Title 4, based on the historical implementation rates for this part of the budget.

For the year beyond 2008 an increase bearing in mind an annual inflation rate of 2% has been considered. For future years no additional posts have been included under Title 4 in the current planning.

The proposed budgets under Title 4 effectively fall outside the control of the Europol Director. However, for the implementation of the budgets the same rules apply as with the other Budget Titles.

2.4. ICT including TECS

In order to allocate the funds for the 14 new posts for the IMT Department under Title 2 the amount under Title 6 of which part originally foreseen to cover for consultancy, has been reduced by € 1.3M in 2008. The figures covering this part have been calculated on the basis of the amount in the DB 2008 bearing in mind an annual inflation rate of 2%. This straight forward calculation has been done due to the fact that a lot of the costs in this area beyond 2008 are extremely difficult to predict. The financial planning for this area will need to be updated once there is more clarity.

2.5. Host State

The budget for the Host State is foreseen to cover for costs of security staff and related costs and costs for investments and maintenance of the security system. The figures provided in the plan have been estimated in close cooperation with the Host State and are projected to increase by 2.5-3% annually.

Overview Financing Plan for Europol 2008- 2012

1. Expenditure, Euro						
	2007	2008	2009	2010	2011	2012
Personnel, Title 2	41,435,000	44,091,000	46,070,000	48,120,000	50,240,000	52,425,000
Other expenditures, Title 3	6,339,000	5,645,000	5,760,000	6,340,000	6,465,000	6,595,000
New building, Title 3	220,000	- ¹	9,555,000	740,000	760,000	780,000
Bodies and organs, Title 4	4,190,000	3,560,000	3,635,000	3,710,000	3,785,000	3,865,000
ICT including TECS, Title 6	15,710,000	10,625,000	10,840,000	11,060,000	11,280,000	11,505,000
Subtotal	67,894,000	63,921,000	75,860,000	69,970,000	72,630,000	75,170,000
Security and building costs (Host state)						
	2,460,000	2,524,000	2,593,000	2,675,000	2,630,000	2,710,000
2. Personnel, posts						
	2007	2008	2009	2010	2011	2012
Europol, Title 2	398	425	435	445	455	465
Bodies and organs, Title 4	8	8	8	8	8	8
Total, Europol budget	406	433	443	453	463	473
ELOs, LOs, experts, security etc.	185	190	195	200	205	210
Grand total	591	623	638	653	668	683

¹ An amount of € 520,000 for the New Headquarters Programme is included under Title 3 (€ 510,000) and Title 2 (€ 10,000)