



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 28 July 2009

12359/09

**FRONT 62
COMIX 605**

NOTE

from : General Secretariat
to : Delegations

Subject : Analysis and Assessment of Frontex' Annual Activity Report 2008

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 2008, adopted by Frontex' Management Board on 25 June 2009.



Warsaw, 25 June 2009

Analysis and Assessment by Frontex Management Board on FRONTEX ANNUAL ACTIVITY REPORT 2008

Article 40(1) of Frontex Financial Regulation (FFR)¹ stipulates that

“The authorizing 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 29 May 2009, Reference Number 5792, the Executive Director of Frontex submitted the Frontex Annual Activity Report 2008 to the Chairman of the Management Board.

The report provides a comprehensive and detailed enumeration of the activities carried out by the Agency during 2008 within the remit of its mandate. In line with the requirements as outlined by Frontex’ Financial Regulation, the report also gives a view on risks related to those activities, the measures to be taken and the use of financial and human resources.

The report pictures an Agency which is still in its start-phase with related challenges. The continuously increasing budget of the Agency reflects the opinion of the European Parliament and the Council that Frontex should undertake a growing number of coordinative activities. It has to be understood that the effective use of this increased budget should be seen as a common endeavour of Frontex and the Member States. The Management Board invites Frontex to take firm effort and the Member States to increase their voluntary operational activities in order to ensure adequate preparation on one hand and the allocation of available resources (human resources, assets and equipment) on the other hand. This challenge is mainly shown in the level of budget utilization (payments) which, although increased compared to 2007, remained at a level of 51%. Considering the developments since the establishment of Frontex it seems reasonable, following the forecasting made by the reporting authorizing officer, that this level will be raised to 75 – 80% by the end of 2009.

The Management Board recognizes that in order to raise the level of budget implementation, firm efforts have to be made by Frontex but also by the competent authorities in the Member States. Those efforts will include ‘pre-financing’ as a mandatory step in the initial phase of such Frontex’ coordinated and co-financed operation which have substantial impact on the budget

¹ Management Board Decision 36/2008



implementation. In addition to that, solutions should be found to enable partial payments of the overall amount after finalization of an operational phase of a mid or long term operation.

In that respect, the use of carry-overs (automatic and those decided by the Management Board) has to be monitored vigorously. The experiences made since the establishment of the Agency and the related information should allow a more precise estimation of financial needs translated into budget appropriations and commitments and their execution or payment.

The current distribution of expenditures (operational versus administrative) remained at a level (70/30) which is characteristic for a young organisation when infrastructure (personnel and technical) is being built up. Considering that expenditures for staff count for almost 25% of the budget and that more than 60% of Frontex' staff members are directly and full time allocated to operational activities, this balance favours operational over administrative expenditures.

The report further shows that only a limited and acceptable number of objectives have not been fully achieved out of the objectives established by the Frontex' Programme of Work 2008. The underperformance in those areas was systematically reported to the Management Board during the meetings by using scoreboards as a reporting tool. For those objectives, the report provides sufficient justification and assurance that the delays in certain processes did not jeopardize the Agency in carrying out its core duties.

During 2008 Frontex also went through a significant change regarding the organizational structure. It is understandable that this change cannot immediately show its impact. This change is also shown in the outcome of the self assessment on the effectiveness and efficiency of the internal control standards. One of the challenges is related to structure, decision-making and communication. In order to tackle those challenges, the horizontal functions of the Agency should be more clearly linked to the work of the Divisions and vice versa. Tighter linkages between the Divisions will have to be built up.

Over the last three years, the issue of attracting adequate human resources in a timely and speedy manner was not resolved. In that respect the Agency obviously lacks attractiveness which gets an additional negative spin by the correction coefficient and the exposure to the risk of exchange rate volatility.

Despite the outlined challenges, Frontex can be seen as an effective Agency which delivers the expected products, services and projects of agreed quality and expected practical use to the Member States' competent authorities, as set out in the Programme of Work 2008. Frontex' activities enable the authorities mentioned before to perform their duties either in a more effective way or to a larger extent and significantly promote operational border control cooperation at the EU level. Hence, Frontex activities add value to the European integrated border management.

Warsaw 25 June 2009
For the Management Board



Robert Strondl
Chairman