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REPORT

on the proposal for a Council decision on the financing of certain activities carried out by Europol in connection with cooperation in the fight against terrorism
(COM(2002) 439 – C5-0471/2002 – 2002/0196(CNS))

Committee on Citizens' Freedoms and Rights, Justice and Home Affairs

Rapporteur: Christian Ulrik von Boetticher

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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PROCEDURAL PAGE

By letter of 8 October 2002 the Council consulted Parliament, pursuant to Article 39 of the EU Treaty, on the proposal for a Council decision on the financing of certain activities carried out by Europol in connection with cooperation in the fight against terrorism (COM(2002) 439 – 2002/0196 (CNS)).

At the sitting of 9 October 2002 the President of Parliament announced that he had referred this proposal to the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs as the committee responsible and the Committee on Budgets for its opinion (C5-0471/2002).

The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs appointed Gérard M.J. Deprez rapporteur at its meeting of 11 November 2002. The Committee on Citizens' Freedoms and Rights, Justice and Home Affairs appointed Ulrik von Boetticher rapporteur at its meeting of 11 November 2002.

It considered the Commission proposal and draft report at its meetings of 11 September 2002, 11 November 2002 and 12 November 2002.

At the last meeting it adopted the draft legislative resolution by 15 votes to 3, with no abstentions.

The following were present for the vote: Giacomo Santini, acting chairman; Lousewies van der Laan, vice-chairman; Giuseppe Brienza, Kathalijne Maria Buitenweg (for Heide Rühle), Michael Cashman, Charlotte Cederschiöld, Ozan Ceyhun, Francesco Fiori (for Marcello Dell'Utri pursuant to Rule 153(2)), Marie-Françoise Garaud (for Maurizio Turco), Anna Karamanou (for Carmen Cerdeira Morterero), Margot Keßler, Timothy Kirkhope, Eva Klamt, Alain Krivine (for Ole Krarup), Baroness Sarah Ludford, Lucio Manisco (for Giuseppe Di Lello Finuoli), Hartmut Nassauer, Bill Newton Dunn, Marcelino Oreja Arburúa, Elena Ornella Paciotti, Paolo Pastorelli (for Jorge Salvador Hernández Mollar), Hubert Pirker, Jacques F. Poos (for Adeline Hazan pursuant to Rule 153(2)), Bernd Posselt, Olle Schmidt (for Francesco Rutelli), Ingo Schmitt (for Gérard M.J. Deprez), Ilka Schröder, Patsy Sørensen, Joke Swiebel, Anna Terrón i Cusí, Kathleen Van Brempt (for Sérgio Sousa Pinto pursuant to Rule 153(2)) and Gianni Vattimo (for Robert J.E. Evans).

The opinion of the Committee on Budgets is attached.

The report was tabled on 12 November 2002.

LEGISLATIVE PROPOSAL

Proposal for a Council decision on the financing of certain activities carried out by Europol in connection with cooperation in the fight against terrorism (COM(2002) 439 – C5-0471/2002 – 2002/0196(CNS))

The proposal is approved.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a Council decision on the financing of certain activities carried out by Europol in connection with cooperation in the fight against terrorism (COM(2002) 439 – C5-0471/2002 – 2002/0196(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2002) 439)¹,
 - having been consulted by the Council pursuant to Article 39 of the EU Treaty (C5-0471/2002),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs and the opinion of the Committee on Budgets (A5-0391/2002),
1. Approves the Commission proposal;
 2. Takes the view that the financial statement accompanying the Commission's proposal is compatible with the ceilings provided for under heading 3 of the financial perspectives for 2002 without there being any restriction of other policies;
 3. Stresses that should the legislative authority not adopt the decision until 2003 and should the amount not be compatible with the ceilings provided for under heading 3 of the financial perspectives for 2003, the budgetary authority will reconsider the financial implications and its funding;
 4. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 5. Asks to be consulted again should the Council intend to amend the Commission proposal substantially;
 6. Instructs its President to forward its position to the Council and Commission.

¹ Not yet published in the OJ.

EXPLANATORY STATEMENT

The aim of the proposal under discussion is to make resources amounting to € 3 038 600 available to Europol in order to put in place specific measures to combat terrorism. The following four projects are planned:

1. The establishment of an EU information network to record and exchange information on bombs; this should enable Member States to disseminate and retrieve technical data on explosive devices in real time, so that the modes of operation used by terrorists can be compared and the latter more easily identified.
2. The creation of a communications system to enable special police operations units to exchange information swiftly and securely.
3. The creation of an operations coordination centre able to provide international information exchange for all Member States in real time in the event of major terrorist attacks.
4. The development of a common European method for assessing terrorist threats and risks so that common threat and risk assessments are available.

The idea of Community-financed activities by Europol to combat terrorism is in fact based on the express wish of the European Parliament. Last year (2001), in preparing the 2002 budget, Parliament adopted an amendment whereby € 5 million was placed in the reserve for the Europol budget line (B5-822), for the purpose of fighting terrorism. Europol has not been able to make use of these resources up to now because there was no legal basis for this. The present proposal would create a legal basis for expenditure amounting to € 3 038 600. This does not meet Parliament's wishes fully, since its amendment was aimed at making € 5 million available to Europol from the Community's budget. Apart from this, however, Parliament is able to approve the proposal.

The projects meet the objectives set out in the 2002 budget in the form of the aforementioned amendment. To quote the remarks on budget item B5-822, the resources are 'intended in particular to provide Europol with the necessary resources to step up and coordinate Member State action to combat terrorism. This article is also intended to be used to set up an anti-terrorism control centre and communications systems'. In addition, your rapporteur has been informed that the Commission defined the projects set out in the proposal in collaboration with Europol, so that the proposed measures complement the anti-terrorism measures financed by the Member States.

The proposal needs to be adopted quickly, since the 2003 budget provides no funds in the reserve for Item B5-822. This means that the appropriations can only be made available to Europol if the proposal is adopted by the Council by the end of the year, which presupposes prior approval by Parliament. In order to make approval possible before this deadline, your rapporteur recommends to the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs that it approve the proposal with no further amendments.

11 November 2002

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs

on the Council Decision on the financing of certain activities carried out by Europol in connection with cooperation in the fight against terrorism
(COM(2002) 439 – C5-0471/2002 – 2002/0196 (CNS))

Draftsman: Juan Andrés Naranjo Escobar

PROCEDURE

The Committee on Budgets appointed Juan Andrés Naranjo Escobar draftsman at its meeting of 12 September 2002.

It considered the draft opinion at its meeting of 11 November 2002.

At the latter meeting it adopted the following conclusions unanimously.

The following were present for the vote: Terence Wynn, chairman; Reimer Böge, Anne Elisabet Jensen and Franz Turchi, vice-chairmen; Juan Andrés Naranjo Escobar, draftsman; Ioannis Averoff, Joan Colom i Naval, Manuel António dos Santos, Den Dover, Bárbara Dührkop Dührkop, James E.M. Elles, Göran Färm, Markus Ferber, Salvador Garriga Polledo, Neena Gill, Catherine Guy-Quint, Jutta D. Haug, María Esther Herranz García, John Joseph McCartin, Jan Mulder, Jean-Thomas Nordmann, Joaquim Píscarreta, Guido Podestà, Esko Olavi Seppänen (for Chantal Cauquil), Ioannis Soulidakis (for Constanze Angela Krehl), Per Stenmarck, Rijk van Dam (for Michel Raymond), Kyösti Tapio Virrankoski and Ralf Walter.

SHORT JUSTIFICATION

1. Community financing of certain activities carried out by Europol in the fight against terrorism

The European Union has set itself the objective of offering citizens a high level of protection in an area of freedom, security and justice. Following the events of 11 September 2001, the European Union stepped up measures to combat terrorism.¹ On 31 July 2002 the Commission presented a proposal for a Council decision on the financing of certain activities carried out by Europol in connection with cooperation in the fight against terrorism. This proposal envisages giving a legal base to the use of the funds already entered in the 2002 budget and describing the activities which will be financed from the fund.

The activities set out in the proposal were established on the basis of the proposal presented by Europol. Budget item B5-822 of the EU budget for 2002, which is currently marked '*token entry*' (p.m.), provides the sum of € 5 million for the purpose of supplying Europol with the resources needed to reinforce and coordinate the Member States' activities in the fight against terrorism and to cover the establishment of a crisis centre and the implementation of communication systems. This appropriation is entered in chapter B0-40 (provisional appropriations) pending the adoption of the legal base providing for financing of a Europol activity from the European Union budget. The adoption of the proposal in question would enable the appropriation to be implemented.

According to the budgetary data supplied by Europol, the Commission is providing € 3 038 600 instead of the € 5 000 000 entered in the 2002 budget. The sum of € 1 700 000 is earmarked for setting up an information and data network on bomb attacks (Bomb Data Network), which would enable the Member States to exchange information rapidly on the equipment used, while the sum of € 500 000 would serve to create a communication network to improve information exchange between the special intervention units. The cost of the Operations Control Centre which would enable the EU to react quickly in the event of a major terrorist incident involving nuclear, biological, chemical or radiological weapons is estimated at some € 500 000. Finally, the sum of € 336 000 will be set aside for evaluation by the Member States and Europol of terrorist risks and threats.

This is the first initiative seeking to finance Europol activities from the Community budget rather than from national contributions. The European Parliament declared itself in favour of proper democratic and parliamentary control of Europol and of Europol's budget being covered by the Community's budget.² The proposal for a decision meets the European Parliament's request for part of the Community budget to be allocated to Europol.

2. Europol's finances

	2000	2001	2002	2003
Total (million €)	25.8	33.2	51.6	55.0

¹ The European Union's action plan to combat terrorism currently consists of more than 60 measures.

² Nassauer report (A4-0064/99) of 14 April 1999 and Turco report (A5-0370/2001) adopted on 13 November 2001.

The Europol budget adopted for 2002 was € 48.5 million. The additional budget for the task force on fighting terrorism amounts to € 3.16 million in 2002, bringing the total amount up from € 48.5 to 51.6 million. On 15 July 2002 the Council of Ministers approved a budget of € 55 million for Europol in 2003.

Article 35 of the Europol Convention stipulates that the Europol budget is funded out of contributions from the Member States and other occasional revenue. The Council takes the view that the Community contribution can hardly be defined as an occasional item of revenue, but the Commission has not raised any difficulties as regards the interpretation of this article.

As revenue and expenditure must balance in the Europol budget, the Council takes the view that a Community contribution should be offset by a reduction in the Member States' contributions. Article 16(2) of the Europol financial regulations states that a 'draft supplementary budget' means any proposal which would either increase the total amount of appropriations or finance one or more new activities without increasing the total amount of appropriations. Increasing the total amount of appropriations is not excluded, however.

3. Procedure

Despite the fact that the funding of these activities is provided for in the budget for 2002, the Commission did not present its proposal until 31 July 2002, which represents a considerable delay and makes it practically impossible to implement the activities in 2002. The Council, for its part, decided on 8 October 2002 – more than two months after adoption – to consult the European Parliament on this proposal. The Council asks for Parliament's opinion by 14 February 2003 (the period provided for in the Treaty). If this deadline was taken full advantage of, it would be impossible to use the appropriations in the 2002 budget or carry them over to the 2003 budget.

In order to prevent the amount entered in the 2002 budget from being cancelled and to enable the appropriations from the 2002 budget to be carried over to the 2003 budget, the European Parliament committee responsible must adopt its draft report as soon as possible and the Council must adopt its decision by the end of 2002. The final decision will require unanimity in the Council of Ministers.

CONCLUSIONS

The Committee on Budgets calls on the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, as the committee responsible, to bear the following points in mind in its report and when taking decisions about its timetable and the procedure to be followed:

1. Calls for the committee responsible to adopt its draft report as soon as possible and the Council to adopt the final decision by the end of 2002 in order to prevent the amount entered in the 2002 budget from being cancelled; recalls that Article 9 of the Financial Regulation (1605/2002) stipulates that amounts which are necessary when the legislative authority has adopted a basic act in the final quarter of the financial year can be carried over to the following year;
2. Recalls that Budget Item B5-822 of the 2002 budget of the European Union provides for an amount of € 5 million, currently in the reserve, to supply Europol with the necessary resources to finance certain activities carried out by Europol in connection with cooperation in the fight against terrorism, and stresses that the draft budget for 2003 does not provide for any funding for these activities, but only has a token entry;
3. Takes the view that the amount concerned should be allocated exclusively to the measures in question in order to avoid Community funding of Europol's other expenditure;
4. Recalls that the European Parliament has called on several occasions for the establishment of democratic and parliamentary control of Europol (A4-0064/1999,¹ A5-0312/2000² and A5-0370/2001³); likewise recalls the recommendations made by the Commission on 26 February 2002⁴; takes the view that Europol is not currently subject to adequate parliamentary control; calls on the Council in consequence to insert in the Treaty, for the next IGC, provisions with the object of involving the European Parliament fully in monitoring and assessing the activities of Europol.

¹ Recommendation of the European Parliament to the Council on Europol: reinforcing parliamentary controls and extending powers; document A4-0064/1999 adopted on 13 April 1999 (rapporteur: Hartmut Nassauer).

² Report on the initiative from the Portuguese Republic with a view to the adoption of a Council Act on the drawing up on the basis of Article 43(1) of the Convention on the Establishment of a European Police Office (Europol Convention) of a Protocol amending Article 2 and the Annex to that Convention; document A5-0312/2000, adopted on 14 November 2000 (rapporteur: Anna Karamanou).

³ Report on the initiative of the Kingdom of Belgium and the Kingdom of Sweden with a view to adopting a Council Decision extending Europol's mandate to deal with the serious forms of international crime listed in the Annex to the Europol Convention; document A5-0370/2001 of 24 October 2001, adopted on 13 November 2001 (rapporteur: Maurizio Turco).

⁴ Commission communication on the exercise of democratic control over Europol (COM(2002) 95) of 26 February 2002.

AMENDMENTS

The Committee on Budgets calls on the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

Amendment 1

[The European Parliament]

takes the view that the financial statement accompanying the Commission's proposal is compatible with the ceilings provided for under heading 3 of the financial perspectives for 2002 without there being any restriction of other policies;

Justification

The amount proposed for the specific programme is indeed compatible with the budget for 2002 and the expenditure ceilings provided for in the financial perspectives for 2002. If, when it adopts the decision, the legislative authority should propose other amounts, the budgetary authority would have to be consulted again. In the event of this happening, the Committee on Budgets would reconsider the financial implications.

Amendment 2

stresses that should the legislative authority not adopt the decision until 2003 and should the amount not be compatible with the ceilings provided for under heading 3 of the financial perspectives for 2003, the budgetary authority will reconsider the financial implications and its funding;

Justification

If adoption by the legislative authority were postponed until 2003 and the amount did not comply with the financial perspectives, the budgetary authority would have to be consulted again.