

2016

Consolidated Annual Activity Report

Europol Public Information

The Hague, 1 May 2017

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Acronyms and abbreviations

ABAC	Accrual Based Accounting	HR	Human Resources
ADEP	Automation of Data Exchange Processes	IAF	Internal Audit Function
AWF	Analysis Work Files	IAS	Internal Audit Service
CAAR	Consolidated Annual Activity Report	ICS	Internal Control Standards
CBCC	Cross Border Crime Checks	ICSE	International Child Sexual Exploitation image database
CERT	Computer Emergency Response Team	ICT	Information and Communications Technology
CMR	Cross Match Report	IDMC	Integrated Data Management Concept
CORP NET	Corporate network	IRU	Internet Referral Unit
COSI	Standing committee for the EU internal security	ISF	Internal Security Fund
CT	Counter Terrorism	JAD	Joint Action Day
CT-JAT	Counter Terrorism Joint Action Team	JHA	Justice and Home Affairs
CT-JLT	Counter-Terrorism Joint Liaison Team	JOT	Joint Operation Team
DA	Delegation Agreement	JSB	Joint Supervisory Board
DMS	Document Management System	KPI	Key Performance Indicators
DPO	Data Protection Office	MB	Management Board
EAS	Europol Analysis System	MEP	Member of European Parliament
EBDS	EU Bomb Data System	MS	Member State
EC3	European Cybercrime Centre	NEC	National EMPACT Coordinators
ECA	European Court of Auditors	OAR	Operational Analysis Report
ECD	Europol Council Decision	OPS NET	Operational Network
ECTC	European Counter Terrorism Centre	PDN	Performance Development Network
EEAS	European External Action Service	PNR	Passenger Name Record
EIS	Europol Information System	PWGT	Police Working Group on Terrorism
EMAST	EU Mobile Analysis Support Teams	QUEST	Querying Europol's systems
EMIST	EU Mobile Investigation Support Teams	SIENA	Secure Information Exchange Network Application
EMPACT	European Multidisciplinary Platform against Criminal Threats	SIS II	Schengen Information System
EMSC	European Migrant Smuggling Centre	SOC	Serious Organized Crime
ENFSI	European Network of Forensic Science Institutes	SPACE	Secure Platform for Accredited Cybercrime Experts
EPE	Europol Platform for Experts	SPOC	Single Point Of Contact
EPF	Europol Pension Fund	TF	Task Force
EPPO	European Prosecutor's Office	TFTP	Terrorist Finance Tracking Programme
ETIAS	European Travel Information and Authorisation System	TP	Third Parties
ETS	European Tracking Solution	UAS	Unified Auditing System
EU	European Union	UFED	Universal Forensic Extraction Device
EU RTF	EU Regional Task Force	UMF	Universal Messaging Format
EUIPO	European Union Intellectual Property Office	US ICE	US Immigration and Customs Enforcement
EUNAVFOR	European Union Naval Force	USE	Unified Search Engine
FBI	Federal Bureau of Intelligence	VIS	Visa Information System
FIU	Financial Intelligence Units	WCO	World Customs Organisation
FP	Focal Point	WG	Working Group
FRN	First Response Network	WP	Work Programme
FTF	Foreign Terrorist Fighter		
HENU	Heads of Europol National Units		

Management Board's analysis and assessment

The Management Board (MB) takes note of the Consolidated Annual Activity Report (CAAR) for the financial year 2016 submitted by the Authorising Officer in accordance with Article 47 of the Financial Regulation (FR) applicable to Europol.

In analysing and assessing the CAAR 2016, the MB makes the following observations:

- The report contains a comprehensive and thorough account of the activities carried out by Europol in implementing its mandate during 2016. The report also provides a detailed overview of the results achieved in relation to the objectives and Key Performance Indicators (KPIs) set in the Work Programme 2016 against the framework of the Europol Strategy 2016-2020, as well as relevant resource management information and reporting on audit activities, including the related follow-on activities.
- As an integral part of the EU's response to the significant terrorist threat and the continued migration crisis affecting Europe as a whole, Europol was entrusted by the European Council, as well as the Justice and Home Affairs Council and the European Parliament, with new or additional tasks in 2016 in light of the European Commission's Agendas on Security and Migration, particularly:
 - o The European Counter Terrorism Centre (ECTC), launched in January 2016, followed by the secondment of "guest officers" to carry out secondary security checks supporting EU's external border control and screening activities;
 - o The European Migrant Smuggling Centre (EMSC) which took up activities in February 2016, building upon the Joint Operational Team Mare to provide on-the-spot deployments;
- A new legal basis, the Europol Regulation, was adopted in May 2016 to become applicable in May 2017, enhancing Europol's mandate to ensure that it is fully equipped to counter the increase in cross-border crimes and terrorist threats, in particular by the Integrated Data Management Concept (IDMC). The IDMC should improve Europol's ability to act as the EU's information hub in the fight against terrorism and serious organised crime, while ensuring increased data protection safeguards, democratic control and parliamentary oversight.
- The MB notes the ever-increasing demand for Europol's products and services and welcomes the positive feedback from Member States and cooperation partners about the operational and analytical support provided by Europol to their competent authorities. In May 2016, in order to ensure continued resource efficiency, the budgetary authority granted Europol additional staffing for the establishment of the ECTC, namely 25 additional Temporary Agents (TAs), 5 additional Contract Agents (CAs) and 5 additional Seconded National Experts (SNEs). Furthermore, in December 2016, Europol received a grant of 1.5 Million Euro from the European Commission to support operational on-the-spot activities, especially secondary security checks.
- The MB also notes the following achievements and developments, which confirm Europol's prominent role as the EU criminal information hub and leading operational support centre across the EU Justice and Home Affairs area:
 - o About 870,000 messages were exchanged by Member States, Third Parties and Europol through SIENA (+19% compared to 2015); over

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- 46,400 new cases were initiated in 2016 (+16,5% compared to 2015), combined with the accreditation of SIENA allowing for the processing of 'EU Confidential' information;
- The use of the EIS reached an all-time peak, represented by the number of objects stored (395,357, +34% compared to 2015) and of searches (1,436,838, +225% against 2015), far exceeding any forecast, due to increased communication activities and progressive incorporation of its use in daily business processes;
 - A 24/7 service within Europol's Operational Centre was introduced; the overall number of operations, supported by Europol in EU Member States and beyond, increased by 30% compared to 2015 (1,056 vs. 812), with a high satisfaction rate of 8,5/10 for the services delivered;
 - The EU Most Wanted list launched in January 2016, facilitated the arrest of 27 high-profile fugitives through pro-active communication and engagement of the public;
 - The number of operational reports produced in 2016 increased by 30% compared to 2015 (5,222 vs. 4,026 in 2015). This includes an overall increase in the number of cross-match (+34%) and operational analysis (+59%) reports produced when compared to the previous year;
 - The ECTC supported 127 (+182% compared to 2015) prioritised operations; almost 5,600 (+105%) contributions were accepted in the Analysis Work File (AWF) CT and more than 2,000 links between AWF CT and AWF Serious Organised Crime (SOC) were identified; the EU Internet Referral Unit (IRU) achieved its full operational capability as an integral component of the ECTC by the year end; the FIU.net was embedded in Europol, providing an opportunity to directly process searches on terrorist financing activities;
 - The EMSC provided more than 3,200 man-days of on-the-spot support, both to migration hotspots and the EU Regional Task force (RTF). EU Mobile Investigation Support Teams (EMIST) and EU Mobile Analysis Support Teams (EMAST) were deployed to Greece and Italy, with 86 prioritised operations being assisted; guest officers were recruited and deployed to the hotspots with more than 6,000 entities referred for checks;
 - The EC3 supported 175 (+34%) prioritised operations and produced 2,220 (+196%) operational reports; a new Image and Video Analysis Solution (IVAS) was deployed and Europol's forensic laboratory for the examination of Euro banknotes obtained formal ISO accreditation status;
 - Europol intensively cooperated in particular with Eurojust, Frontex, EEAS, EU NAVFOR, CEPOL, EUIPO, European Commission, customs authorities, INTERPOL, priority third countries, including the United States, and the private sector;
 - The user satisfaction increased for all the measured aspects reaching the highest-ever level. Europol is perceived by its users as a professional organisation, demonstrating the trust of EU Member States and cooperation partners in the successful delivery of our values: Service, Integrity, Accountability, Initiative and Teamwork;
- A detailed assessment of the overall implementation of the Work Programme 2016 indicates that:

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- Europol made good progress concerning 76% of the Europol Strategy 2016-2020 goals and objectives, 86% of the corporate KPIs being achieved for 2016;
- Europol accomplished outstanding financial and human resource implementation figures, with a commitment rate of 99.8%, a payment rate of 91.0% and a vacancy rate of 0.0% by the end of the year;
- In 2016, Europol was granted discharge for the 2014 budget responding to the comments of the European Court of Auditors, the internal auditor and other assurance providers addressing improvement areas; 83% of all audit recommendations graded as critical/very important were addressed.
- The MB also takes note of efforts to improve key operational, financial and human resource aspects mentioned in the CAAR and recommends Europol to continue this work, particularly with regard to:
 - Maintaining the focus on operational analysis while keeping up the support to high-profile investigations on serious, cyber and organised cyber, including terrorism, posing a continuous threat to the EU internal security;
 - Streamlining the processes concerning the Analysis Work Files and completing the data migration to and deployment of the new Europol Analysis System in order to improve analytical outputs, including reporting and monitoring, with a view to meeting the operational demand against the continuous increase of operational contributions from Member States and cooperation partners;
 - Maintaining the financial management levels achieved, while improving implementation rates of carry forwards, and keeping high delivery levels for the ICT budget;
 - Implementing of the recommendations of the internal auditor;
 - Completing the implementation of the Europol Regulation, particularly concerning the Integrated Data Management Concept (IDMC), enhanced governance and parliamentary oversight;

The Management Board notes that the Director has no critical issues to report which would affect the presentation of the annual accounts for the financial year 2016 to the discharge authority.

The Management Board considers that Europol is effectively and efficiently delivering the expected products and services to the competent law enforcement authorities of Member States and cooperation partners.

The Management Board attaches this assessment to the CAAR for submission to the European Parliament, the Council, the European Court of Auditors (ECA) and the European Commission, in accordance with Article 47(2) of the FR applicable to Europol.



Arie IJzerman

Chairperson of the Management Board

Introduction

The consolidated annual activity report (CAAR) is submitted on behalf of the Director of Europol, as authorising officer of Europol under the Financial Regulation applicable to Europol. This report presents a record of the implementation of the budget and staff resources granted to the organisation in 2016, setting out the activities performed on the basis of Europol's compliance framework as an EU agency. It is presented **in accordance with Article 47 of the Financial Regulation applicable to Europol**, which stipulates that the authorising officer shall report to the Management Board on the performance of his/her duties in the form of a consolidated annual activity report.

This report, together with the Management Board's assessment, shall be sent, no later than 1 July each year, to the Court of Auditors, to the Commission, to the European Parliament and to the Council.

Guided by the Europol Strategy 2016-2020, Europol provides a wide range of operational and strategic products and services to national law enforcement agencies in order to support them in their fight against serious organised crime, cybercrime and terrorism. The Europol Strategy is accompanied by Key Performance Indicators (KPIs) directly linked to the multi-annual strategic objectives. These KPIs and their targets are reviewed annually to verify that they adequately measure the progress and impact of Europol's work and still constitute challenging but achievable objectives.

This report covers the period from 1 January 2016 to 31 December 2016 and contains information on the implementation of the 2016 Work Programme¹, budget and staff resources. Information on the internal and external audits performed, the recommendations made and the actions taken to address pending recommendations/observations from previous years can also be found in this report.

The CAAR has been prepared following the template provided by the Commission² as developed with the EU Agencies Performance Development Network (PDN).

Europol's mission

Europol is the European Union's Agency for Law Enforcement Cooperation whose main goal is to help achieve a safer Europe for the benefit of all EU citizens by supporting law enforcement authorities through the exchange and analysis of criminal intelligence. Europol's mission is to support the Member States in preventing and combating all forms of serious international and organised crime and terrorism.

Europol, with its headquarters in The Hague (Netherlands), works closely with law enforcement agencies in the 28 EU Member States and in other non-EU partner states.

¹ Traditionally this report follows the structure of the annual Work Programme(WP). Given that at the time of drafting the WP 2016 (i.e. 2014) the new Europol Strategy 2016-2020 was not available, the WP 2016 still followed the strategic goals and objectives of the previous Europol Strategy 2010-2014. As 2016 is the first year of the current Strategy it has been deemed more appropriate to refer this document to the strategic goals and objectives of the new Strategy.

² Communication from the Commission on the guidelines for programming document for decentralised agencies and the template for the Consolidated Annual Activity Report for decentralised agencies, 16 Dec 2014, C(2014) 9641 final

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The agency uses its unique information capabilities and the expertise of its staff to identify and track the most dangerous criminal and terrorist networks in Europe. Law enforcement authorities in the EU rely on this intelligence work and the services of Europol's operational coordination centre and secure information network. This has led to the disruption of many criminal and terrorist networks, to the arrest of thousands of dangerous criminals, to the recovery of millions of euro in criminal proceeds, and to the saving from harm of hundreds of victims, including children trafficked for sexual exploitation. Europol also acts as a major centre of expertise in key areas of law enforcement and as a European centre for strategic intelligence on organised crime.

Challenges of 2016

Europe is currently facing the most significant terrorist threat in over 10 years. The Paris attacks on 13 November 2015 indicated a shift towards a clear international dimension of Islamic State to carry out terrorist attacks in the international environment. Regrettably, this was followed by other major attacks in Brussels (suicide bombings on 22 March 2016, 35 killed and 340 injured), Nice (truck attack on 14 July 2016, 87 killed and 434 injured) and Berlin (Christmas market attack on 19 December 2016, 12 killed and 56 injured). To fight against this terrorist threat, the **European Agenda on Security** highlights priority areas of special relevance for Europol to take action.

In the aftermath of these terrorist attacks in Paris, the JHA Council re-affirmed its determination to intensify the efforts in the counter-terrorism domain. The Council supported the launching of the **European Counter Terrorism Centre (ECTC)** at Europol as of 1 January 2016, including the **EU Internet Referral Unit (EU IRU)** and urged the Commission to ensure that the necessary resources were made available to reinforce the ECTC. The Council re-iterated the urgency and priority of the development of the **Passenger Name Record (PNR)** directive and called for increased inter-agency cooperation and increased cooperation between Member States, including through the EU Policy Cycle in terms of OAP Firearms, the **FIU.net**³ for intelligence on financing terrorism and through Europol's FP Travellers. All the key themes of the **JHA Council Conclusions** concerned Europol and significantly affected the Agency's planning.

Furthermore, the exponential increase of the migratory flow in the last two years and the involvement of organised crime on a large scale, together with the number of requests for operational support from EU Member States, called for an adequate and coordinated European response, as indicated in **the European Agenda on Migration**. On 22 February 2016, Europol launched the **European Migrant Smuggling Centre (EMSC)**, following a decision from the EU Justice and Home Affairs ministers in November 2015 in order to strengthen Europol's capacity to support Member States in better preventing and fighting migrant smuggling. Europol further developed the **Guest Officer concept** to systematically conduct secondary security checks in the hotspots.

The EU Commission's communication on **Stronger and Smarter Information Systems for Borders and Security** was mainly focused on improved interoperability between the available information systems (VIS, EURODAC, SIS II). In this respect, Europol actively worked on the **Integrated Data Management Concept (IDMC)** in order to ensure enhanced interoperability of the systems.

On 11 May 2016, the European Parliament adopted the **new regulation for Europol**. The new regulation enhances Europol's mandate to ensure that it is fully equipped to counter the increase in cross-border crimes and terrorist threats. The new powers also improve Europol's ability to act as the EU's information hub in the fight against terrorism and serious organised crime while ensuring increased data protection safeguards, democratic control and parliamentary scrutiny. The entry into force of this new regulation on 1 May 2017 constitutes an important challenge for Europol in order to ensure that all processes and systems are ready to be compliant by then.

³ The **FIU.net** was embedded in Europol on 1 January 2016, integrating a decentralised computer network of the European Union Member States' Financial Intelligence Units (FIUs)

Methodology

This consolidated annual activity report provides an assessment of the progress made in 2016 to achieve the multi-annual strategic goals and objectives defined in the Europol Strategy.

For each of the strategic objectives, Europol plans a series of actions and projects to be implemented during the year, while available indicators are also used to monitor the performance related to these objectives. Europol checks the implementation status of all planned actions and projects and the achievement of the targets for the key performance indicators on a quarterly basis, to assess the overall progress made and to take corrective actions where needed.

Europol considers progress is made when the reported status for an action is either *completed* or *on-going as planned*. On the other hand, actions that have been *cancelled* because of external or unplanned factors, *delayed*⁴ actions, *at risk* or *requiring management attention* are considered as no progress made, therefore negatively affecting the reported performance.

All the actions and projects planned for 2016 are considered and grouped per strategic goal and strategic objective. Adding up all the actions and projects for which progress has been made and comparing them with the total number of actions and projects in each of these groups provides the percentages this report refers to in sections 1.1 and 1.2.

Achieving a progress of 100% in the context of this report would imply that all the actions and projects have progressed as planned. However, as in any other organisation, to allow for unplanned changes in priorities and resources, when the overall progress made is 75% or above it can be considered that the implementation of the work programme has been very effective.

In Part I of the consolidated annual activity report, progress for each of the strategic goals and objectives is visualised using coloured graphic symbols as follows:

-  Means **good progress** is made (more than 75%). Progress can be considered as very satisfactory.
-  Means **some progress** is made (between 60% and 75%). Progress can be considered as satisfactory but could be improved.
-  Means **limited progress** is made (below 60%). Progress should be improved and corrective actions defined and put in place.

In order not to only focus on progress made but also to consider how this progress affects the performance of the organisation, Europol closely monitors the achievement of the targets set for all the corporate Key Performance Indicators (KPI). The corporate KPIs for Europol and their targets can be found in Annex I. Key Performance Indicators.

The progress made to achieve performance targets is also displayed in sections 1.1 and 1.2 of this report, as the percentage of the KPI targets achieved⁵, next to the percentage of progress made for each of the strategic goals and objectives.

⁴ Includes those actions reported as *to start later*

⁵ When the percentage of KPI targets achieved is 75% or higher, it is marked in green. If this percentage is below 60% it is marked red. Otherwise, it is marked yellow.

Executive Summary⁶

Implementation of strategic goals and objectives

- Overall, the progress made in 2016 against the strategic goals and objectives in the new Europol Strategy 2016-2020 is assessed at 76%.
- The progress made ranges from 64% to 83% for the three strategic goals and from 62% to 100% for the nine strategic objectives.
- Regarding the targets set in 2016 for the corporate KPIs, 86% of them were achieved.

Key Operational Activities and Achievements

- In the area of SOC, Europol supported 664 (+17%) prioritised operations and produced almost 1,400 (+11%) operational reports, 120 of which were Operational Analysis Reports (OARs). The satisfaction with the operational support provided in the SOC area was 8.8 (-3%) which is above the target of 8.5.
- Within the SOC area, the European Migrant Smuggling Centre (EMSC) was launched on 22 February 2016, following a decision from the EU Justice and Home Affairs Ministers in November 2015. The EMSC accepted more than 12,000 contributions and more than 19,000 SIENA messages were exchanged related to migration. 86 prioritised operations were supported with 23 OARs and 168 CMR/hit notifications produced. In 2016, more than 3,200 man-days of on-the-spot support were provided by the EMSC, both to the hotspots and EU RTF. EMIST and EMAST teams were deployed to Italy and Greece but also to other countries like Austria, Germany, Slovakia, etc.
- Regarding cybercrime, EC3 supported 175 (+34%) prioritised operations and produced 2,220 (+196%) operational reports. 29 operational meetings were organised and financially supported by EC3 during 2016. The satisfaction with the operational support provided in the cybercrime area was 8.5 (-6%). A new Image and Video Analysis Solution (IVAS) was procured and deployed. The Forensic Laboratory was accredited by ISO. Numerous outreach and prevention awareness campaigns were successfully launched during the year.
- The European Counter Terrorism Centre (ECTC) was launched on 1 January 2016, following a decision from the EU Justice and Home Affairs Ministers in November 2015. An amending budget was adopted during the second quarter of the year to reinforce the ECTC with additional resources.
- The Focal Points in ECTC supported 127 (+182%) prioritised operations and produced 268 (+51%) operational reports. Almost 5,600 (+105%) contributions were accepted in the AWF CT and more than 2,000 links between AWF SOC and AWF CT were identified.
- Taskforce Fraternité supported the investigations following the France/Belgium terrorist attacks. 19 TB of information were extracted and analysed, 2,500 SIENA messages exchanged and more than 100 operational reports produced.
- The EU IRU achieved its full operational capability. 48 operational cases were supported and 120 operational reports produced. More than 90% (+2%) of the content referred was successfully removed from the Internet.
- Guest Officers for secondary security checks were recruited and deployed to the

⁶ Figures in parenthesis refer to the increase/decrease experienced by an indicator compared to 2015, e.g. (+17%) indicates an increase of 17% compared to 2015 for that indicator.

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hotspots in the third and fourth quarters. More than 6,000 entities - 4,823 persons, 655 documents and 719 means of communication - were referred for checks and 39 hits were found.

- On 1 January 2016 the FIU.net was embedded in Europol. Additionally, 45 (+28%) prioritised operations were supported by providing Financial Intelligence products/services and 164 operational reports were produced related to Financial Intelligence.
- The EU Most Wanted website was successfully launched at the end of January leading to 27 arrests, 10 of which directly linked to tips given by visitors to the website. On average during the last quarter, more than 4,000 unique visitors per day accessed the website, as a result of a very successful end-of-year campaign supported by the Communications team.
- The implementation of the 24/7 service within Europol's Operational Centre was completed in October 2016. The first-line speed of response to MS/TP significantly improved but still needs to be faster. The operational backlog continues to be a closely monitored issue and an action plan has been put in place to reduce it.
- Europol deployed 159 short-term mobile offices, 56 long-term and 6 on a permanent basis.
- Europol intensively cooperated with INTERPOL, the United States, Eurojust, Frontex, EEAS, EU NAVFOR, CEPOL, EUIPO, European Commission, Customs authorities, countries in the MENA region, other priority Third Countries and the private sector. There were 37 new associations of TP with operational agreement to different Focal Points and 320 operations supported by Europol involved these cooperation partners.

Europol's Operational Systems

- Europol has been actively involved in making progress regarding the implementation of the Integrated Data Management Concept (IDMC), EU information exchange architecture and interoperability and Automation of Data Exchange Process, in accordance with the new Europol Regulation.
- The availability of core systems reached 99.7% in 2016 and 90% (+23%) of the core systems milestones were delivered according to plan.
- The number of accepted contributions to be processed in 2016 was almost 70,000 (+19%), setting a new record. The hit rate was 6.7 (+22%) or 4,684 CMR/hit notifications for the number of accepted contributions. 870,000 (+19%) SIENA messages were exchanged and 46,500 (+16%) SIENA cases were initiated. The usage of UMF structured data moved up from 7% to 8% in 2016. A new version of SIENA, allowing exchange of EU-CONFIDENTIAL information, was released in July.
- EIS figures set a new record in 2016 with more than 395,000 (+34%) objects and more than 1,435,000 (+126%) searches, resulting in almost 950 (+93%) CBCC related to persons. The EIS contained more than 15,500 (+153%) objects related to CT at the end of 2016.
- The development of the Europol Analysis System (EAS) was successfully insourced and a version was released to support TF Fraternité, with a first group of users trained. In December, the EAS was rolled out to ECTC and CT data migration was completed.
- The EPE had, at the end of 2016, more than 9,000 active users and 50 active platforms. EBDS and EPE PIC were successfully migrated to EPE.

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- An operational pilot was run for the ETS
- Progress was made on the USE and QUEST projects.

Financial and Human resources

- Europol's budget for 2016 was € 102.2M, compared to € 94.4M in 2015. The commitment rate was 99.8% and the payment rate was 91.0% (+2%) at the end of 2016. The implementation of the € 10.5M carry forward from 2015 to 2016 was 84.6% (-4%). € 8,9M are carried forward from 2016 to 2017, with an accrual rate of 45%. Late payments came down to 7.2% (-48%).
- The vacancy rate at the end of the year was 0.0%. Europol's Establishment Plan for 2016, after the 25 additional posts granted by the amending budget, had a total of 505 TA posts. 86 staff left the organisation and 145 staff joined Europol in 2016.
- The sick leave rate remained very low at 1.2% and it was well below the target of 5.0%.
- The turnover rate at the end of 2016 was 14.2%: 6.6% voluntary and 7.6% involuntary turnover.
- 32.4% of Europol staff were female at the end of 2016. Considering Senior Management (Business Manager or above) this figure goes down to 6.1%.

Internal Control and Risk Management

- The European Parliament granted discharge for the implementation of the budget for the financial year 2014. The discharge procedure for the implementation of the budget for 2015 already started.
- 83% (+10%) of all audit recommendations graded as critical/very important were addressed in 2016, including all critical/very important recommendations from the ECA, the IAS and Ombudsman.
- The ECA provided a positive opinion on the reliability of Europol's accounts for 2015 and also for those of the Europol Pension Fund and the implementation of the Delegation Agreement. All underlying financial transactions were considered legal and regular.
- The IAS performed an audit on procurement in October.
- The JSB conducted the annual inspection in March and performed an extraordinary inspection in November of Europol's data collecting activities on the Internet.
- The IAF reviewed the status of the implementation of pending recommendations issued in the period 2010-2014. An assessment of the implementation of the Internal Control Standards (ICS) was also conducted. Other audits performed by the IAF in 2016 concern ABAC access rights, ESSA, the Forensic Laboratory and the EC3.
- The DPO continued with the three-year review of Europol's Focal Points and 16 analysis projects were reviewed in 2016. Additionally, regular assurance activities were performed in various areas.

Part I. Progress made against Europol’s strategic goals and objectives

The new **Europol Strategy 2016-2020 is the framework** for the strategic goals and objectives of 2016. Unlike other years, this report does not follow strictly the structure and progress made against the annual work programme objectives as described in Europol’s Work Programme 2016, since at the time of drafting Europol’s Work Programme 2016 (largely in 2014) the Europol Strategy 2016-2020 had not yet been finalised. As a result, Europol’s work programme objectives for 2016 referred to the old strategic goals and objectives in the Europol Strategy 2010-2014⁷. Therefore, it was considered more relevant to structure this report along the goals and objectives of the new Strategy, with a re-allocation of the actions described in the Work Programme 2016 to them.

The new strategy pursues **three strategic goals**:

Goal 1: Europol will be the EU criminal information hub, providing information sharing capabilities to law enforcement authorities in the MS
Goal 2: Europol will provide the most effective operational support and expertise to MS investigations by developing and employing a comprehensive portfolio of services
Goal 3: Europol will be an efficient organisation with effective governance arrangements and a positive reputation

A total of **nine strategic objectives** are linked to these three strategic goals:

1.1. Develop the necessary ICT capabilities to maximise the exchange and availability of criminal information
1.2. Provide effective and immediate first-line information exchange
1.3. Strategically enhance partnerships with cooperation partners
2.1. Support MS investigations in the area of SOC
2.2. Support MS investigations in the area of cybercrime
2.3. Enhance cooperation in the area of counter-terrorism
2.4. Develop and manage high quality analytical support and an evolving portfolio of cross-cutting operational capabilities
3.1. Ensure effective, efficient and accountable management of Europol's resources
3.2. Promote the added value and achievements of EU law enforcement cooperation to stakeholders and EU citizens

In the upcoming points, a **summary of the progress made** against these strategic goals and objectives will be presented. More detailed and descriptive information follows in section 1.4 of this report that covers the main achievements and activities performed during 2016.

⁷ Extended until 2015, when the new Europol Strategy 2016-2020 was approved and adopted.

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1.1. Strategic goals

The progress for each of the three strategic goals and their respective KPIs is shown in the table below:

Strategic Goal	% Progress made	% KPI Targets achieved
1.- EU criminal information hub	83%	75%
2.- Operational support and expertise	82%	94%
3.- Efficient organisation	64%	83%
TOTAL	76%	86%

Good progress has been achieved for the first two strategic goals, which are linked to the more operational activities of Europol. Progress on the third strategic goal, which mainly affects the organisation from a governance and administration point of view, was below 75%.

Overall progress made is assessed at 76%, which can be considered as very satisfactory. According to the different status for the actions/projects:

Strategic Goal	Completed / As planned	Delayed	At risk / Req. Attention	Cancelled / Deprioritised
1.- EU criminal information hub	83%	14%	0%	3%
2.- Operational support and expertise	82%	10%	4%	4%
3.- Efficient organisation	64%	25%	1%	10%
TOTAL	76%	16%	2%	6%

It must be noted that 16% of the actions/projects experienced delays, particularly those affecting the third strategic goal (governance/administration). Additionally, 6% of the actions/projects were cancelled or deprioritised, mainly due to a reallocation of resources (financial/human) to other actions/projects. 2% of the actions/projects were at risk or required further attention, thus, not making the expected progress.

Regarding the performance results, **targets were achieved for 86% of the KPIs**. For all three strategic goals the performance can be assessed as very satisfactory, given that for all of them more than 75% of the KPI targets were achieved. Only for one indicator special attention is required: **the operational information backlog continues to increase despite the corrective actions implemented**. For another four indicators the targets were not met, but the performance was still satisfactory and, in most cases, improving last year's results.

In 2015, 11 indicators (33%) didn't have a target, which hindered the objective assessment of the organisation's performance results. To improve this, a meticulous selection of appropriate and measurable KPIs for the new Strategy was undertaken, including the setting of targets for all of them.

1.2. Strategic objectives

The progress for each of the nine strategic objectives and their respective KPIs is shown in the table below:

Strategic Objective	% Progress made	% KPI Targets achieved
1.1.- Develop ICT capabilities	80%	86%
1.2.- Effective first-line information exchange	63%	33%
1.3.- Enhance partnership with cooperation partners	88%	100%
2.1.- Support MS investigations in the SOC area	100%	80%
2.2.- Support MS investigations in the area of cybercrime	71%	100%
2.3.- Support MS investigations in the area of CT	76%	100%
2.4.- Analytical and cross-cutting operational support	84%	100%
3.1.- Effective management of Europol's resources	62%	80%
3.2.- Promote added value of EU law enforcement cooperation	73%	100%
TOTAL	76%	86%

Progress made per strategic objective ranges from 62% to 100%. For five out of the nine strategic objectives progress can be considered very satisfactory as the assessment for the progress made is above 75%. Progress made for all strategic objectives is above 60% - therefore, none in the red area.

KPI performance results were very satisfactory for all the strategic objectives, with the only exception of strategic objective 1.2. (related to the provision of effective first-line information exchange). This is mainly explained by the poor performance achieved in terms of reducing the operational information backlog and not meeting the target response time to MS' requests.

Although more detail is provided in the following section of this document, focusing on the main achievements and the actions for which good progress was made, the **key points to improve progress and performance** in each of the strategic objectives are summarised below:

- 1.1. Develop ICT capabilities: the implementation of the new Analysis system experienced some delays, affecting other initiatives. Some risks linked to ADEP and the development of USE have been identified. More progress related to the Strategic Vision on Information Management, further analysis of anonymisation techniques and the UMF3 project was expected.
- 1.2. Effective first-line information exchange: the implementation of a case management system for prioritised cases and the new information flow (mainly due to delays in the implementation of the new EAS) have not progressed according to plan. On the performance side, the time to provide first-line responses to MS/TP requests and the operational backlog (pending contributions to be processed) need to be further improved.
- 1.3. Enhance partnership with cooperation partners: mainly linked to the ongoing negotiations with Russia and Israel. The assessment on the impact of the European Public Prosecutor's Office (EPPO) on Europol's activities didn't progress as expected.
- 2.1. Support MS investigations in the SOC area: the number of operational reports produced in the area of SOC is slightly lower than initially forecasted, although above the number of reports produced in 2015.
- 2.2. Support MS investigations in the area of cybercrime: Europol's support to the ENFSI online forensic data sharing project was more limited than initially

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- planned. Other activities linked to forensic support were cancelled due to limited budget.
- 2.3. Support MS investigations in the area of CT: the business concept and business use case for systematic checks in SIS II didn't progress as expected. The SPOC for PNR is still pending to be established. Cooperation with the Western Balkans counter terrorism initiative needs to further improve.
 - 2.4. Analytical and cross-cutting operational support: the establishment of an internal control framework for the EMPACT DA was not fully implemented, though significant progress was made. The MS FIUs should make a bigger use of FIU.net to exchange information. Europol's support to the AMON⁸ project is at risk due to scarce resources.
 - 3.1. Effective management of Europol's resources: several actions were delayed such as implementing the HR System, developing an anti-fraud strategy⁹, implementing the e-invoicing and the Conference Management tool, finalising the ICT Strategy or reassessing the Business Continuity Strategy, among others. The next Staff Survey was postponed to Q3 2017, due to the 360 evaluation of senior and middle managers taking place in early 2017. On the performance side, the implementation of critical and very important audit recommendations was below the set target, although still above last year's implementation rate.
 - 3.2. Promote added value of EU law enforcement cooperation: the alumni Network initiative was cancelled.

1.3. Overall assessment of the progress achieved

In 2016, the progress made against the strategic goals and objectives in the Europol Strategy 2016-2020 is assessed at 76% (79% in 2015). It can be concluded that the **overall implementation of the planned actions/projects in 2016 was very satisfactory** and in line with the previous year's assessment of the progress made.

Europol also achieved **very satisfactory results in terms of performance**, with 86% (77% in 2015) of the KPIs' targets met. This is particularly relevant in 2016, as this was the first year for which **all the KPIs had targets**¹⁰.

⁸ Anti-Money Laundering Operational Network

⁹ The anti-fraud strategy was endorsed by the MB at the 31 January 2017 meeting

¹⁰ all targets defined according to SMART (specific, measurable, achievable, relevant, time-bound) criteria

1.4. Main achievements in 2016



Goal 1: Europol will be the EU criminal information hub, providing information sharing capabilities to law enforcement authorities in the MS



Strategic Objective 1.1. Develop the necessary ICT capabilities to maximise the exchange and availability of criminal information

This strategic objective pursues the development of Europol's systems in order to support the **Integrated Data Management Concept** (IDMC) whereby access by law enforcement officers to data is defined by the data processing purpose and, therefore, no longer dependent on the type of data processing system.

A cross-departmental coordinator was appointed to provide Europol's input to the on-going discussions on **EU information exchange architecture and interoperability** and to take up a steering role in the further development of the IDMC.

Europol further developed the IDMC business concept, in close consultation with internal and external stakeholders, and identified preliminary requirements to adjust the processing tools. Europol actively participated in the meetings of the High Level Expert Group (HLEG) and its sub-groups and was involved in presentations on data management and interoperability, preparing a paper for the MB on the position of Europol in the EU information ecosystem, assessing the potential role of Europol in the new ETIAS or the extension of access to SIS II.

The MB and Management Board Working Group on Corporate Matters (MB WG CM) further discussed the Guidelines specifying the procedures for the processing of information in accordance with the new **Europol Regulation**. The HENUs discussed a concept paper reflecting the key principles on IDMC from the business perspective.

Europol actively participated in the **ADEP** pilot project and circulated to the project partners a paper describing the possible roles Europol could play in the initiative. The focus of this paper was on complementarity with the existing systems (such as SIENA and EIS) and interoperability through the usage of **UMF**. Three working groups were created to deal with the different aspects of this initiative. A plenary meeting was organised in Dublin during Q4 and the main discussions focused on management of the project, financing, ICT testing and legal framework. During separate meetings, the developments on ADEP test concept and test cases and a simplified architecture allowing an easier technical implementation were discussed.

The ADEP initiative is currently focusing on the execution of a pilot with the identified solution, to confirm the feasibility of the concept in a real environment.

The **Europol Analysis System** (EAS) development was successfully insourced during Q1, after a final agreement was reached with the previous external contractor. This caused the project implementation to be delayed. EAS v3.0 was first released in June for TF Fraternité and demos across the operations department were organised with very positive feedback. In December, EAS v3.0 was rolled out to ECTC and CT data migration was completed. All CT analysts were trained and

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while the previous system remains the reference system, the transition to EAS is planned for Q1 2017.

The development of **SIENA multilevel security** was completed according to the scope of the project and a new version, allowing the exchange of up to EU-CONFIDENTIAL messages, was successfully released at the end of July 2016. The system accreditation has been upgraded accordingly.

Regarding the **Europol Information System (EIS)**, lightweight dataloaders will continue to be developed to facilitate MS automating data sharing and searching in the system. The lightweight dataloader for the United Kingdom National Crime Agency (NCA) was developed and provided its first batch of data to the EIS in August. Several other MS/Agencies have requested support for implementing these dataloaders: Czech Republic, Croatia, Latvia and the Scottish Police. Auditing of the EIS has successfully been migrated to the **Unified Auditing System (UAS)**. A new platform for EIS statistics is now available.

Europol continues to support the **UMF3** project. Requirements from participating countries were gathered and analysed by the project management, including discussions on a common firearm model. UMF version 1.1, which includes change requirements for common entities and person entities, was sent to MS for revision.

The **Unified Search Engine (USE)** architecture was reviewed in order to make it a viable platform for future development. Additional features were included in the scope of the project to allow Europol to perform batch searches in SIS II. The **systematic cross matching of SIS II alerts** against Europol data via a batch search mechanism was successfully implemented in 2016. Requirements for the **QUEST** web service, allowing single search by Member States, were internally approved and supplied to the piloting MS (Estonia, Spain, Finland, Greece and Poland). Internal tests of the beta version of QUEST were successful and Europol plans to make the QUEST test environment available for piloting MS by the end of Q1 2017, subject to the release of the new UMF model.

The analysis and validation of the business needs for the **European Tracking Solution (ETS)** was completed. An operational pilot was set up and conducted in October-November, connecting 6 operational partners with Europol (and each other) and allowing the exchange of "live" geo-location data. The ETS is earmarked for full implementation in 2017.

Access to **databases**, managed and hosted outside of Europol, that have been identified as important for EU MS competent authorities was achieved for:

- EU IPO's Enforcement database and ACIST¹¹ Database, in the area of SOC. Europol disseminates DOKIS (Travel Documents database) and RAKK (License Plate database) in hard copy to MS.
- FBI Internet Complaints Centre (IC3), CERTs databases and repositories, CIWIN (Critical Infrastructure Warning Information Network), MISP platform (Malware Information Sharing Platform and Threat Sharing), TF-CSIRT alerts and Anti-Phishing Working Group (APWG) database in the area of cybercrime.

Europol is conducting a study on "private matching with enhanced **anonymisation** features" together with the Katholieke Universiteit Leuven (KU Leuven).

¹¹ Anti-Counterfeiting Intelligence Support Tool

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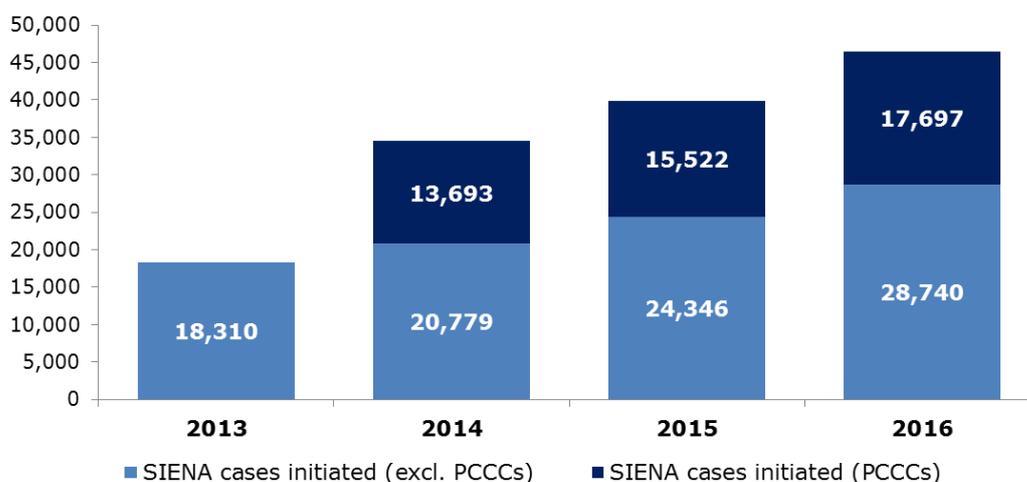
The **EBDS** data was successfully migrated to the Europol Platform for Experts (**EPE**). Also, the EPE PIC (Cocaine Logo Database) was successfully deployed and available to users. An upgrade to a later version of the platform has been requested and the impact is being assessed.

Performance Indicators related to strategic objective 1.1.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
Operational Stability - Uptime of Core Systems	99.8%	99.8% ✓	98.0%
Core business project delivery	73.0%	90.0% ✓	75.0%
SIENA messages exchanged	732,070	869,858 ✓	841,634
SIENA cases initiated	39,868	46,437 ⚠	47,660
EIS objects	295,374	395,357 ✓	324,611
EIS searches	633,639	1,436,838 ✓	756,790
% of all SIENA messages received by Europol containing structured data	7%	8% ✓	8%

During 2016, **core systems availability** reached 99.8% which is well above the set target of 98.0% and similar to the performance achieved in 2015. At the same time, **project delivery** for the core business systems reached a completion of 90.0% of the defined milestones which is also well above the (minimum) target set at 75.0%.

Regarding the use of **SIENA**, a total of 869,858 **messages** have been exchanged (sent and received) in this period, which is above the target of 841k messages. The number of **SIENA cases** initiated in 2016 was 46,437 which is a bit below the forecasted figure of 47,660 cases but well above (+16.5%) the number of cases initiated in 2015 (39,868). 85% of the cases were initiated by MS, 11% by TP and 4% by Europol. This is in line with last year's distribution. The percentage of messages containing **(UMF) structured data** has moved from 7% in 2015 up to 8% in 2016, with a peak of 9% in Q4 2016. 757 organisational entities were connected to SIENA at the end of 2016.

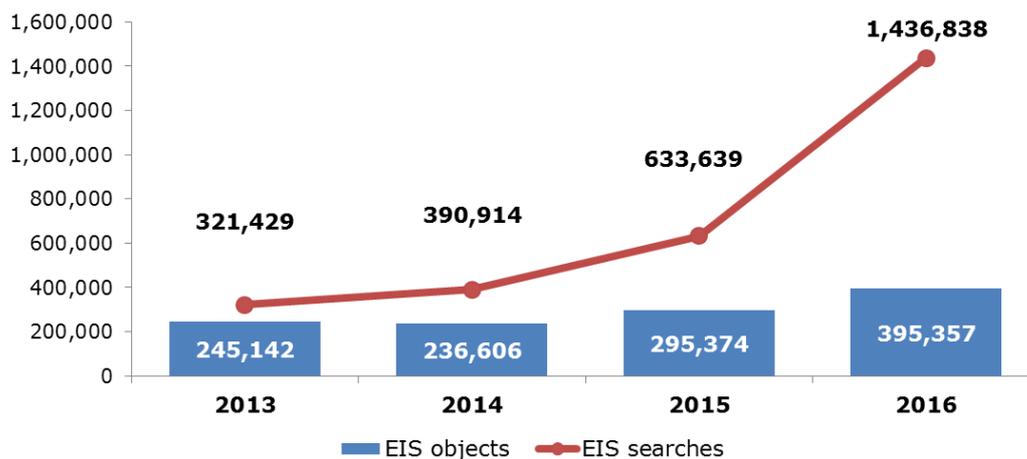


EIS has set new record figures and this has to do with the increasing awareness among MS of the relevance of this system and the progressive incorporation of its use in their daily business processes. Both the number of **objects** (395,357,

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+34%) and especially the number of **searches** (1,436,838, +225%) have improved compared to last year, exceeding by far the forecasted results. At the end of 2016, a total of 103,796 **person objects** were available in the EIS and 946 **CBCCs** related to persons were triggered during this period. 17 **dataloaders** are installed and working in the MS and 27% of the MS' targets (on objects, persons and searches, as agreed at MB level) were achieved. Countries with the highest number of objects are Germany (40%), Belgium (19%), Finland (11%) and a notable increase coming from Greece. It is also important to mention that Finland has run 47% of the searches (particularly in Q3), given that EIS is being extensively used for CT and illegal migrant smuggling screening.

EIS objects & EIS searches



More than 2,700 new users were authorised into **EPE**. The total number of active¹² accounts is above 9,000. Still, the percentage of active users is only 16%¹³ (below the 20% target) and below 23% achieved last year. Including the migration of PIC and EBDS to EPE platforms on the OPS NET, fourteen new platforms have been opened and three have been closed, with a total of 50 active platforms.



Strategic Objective 1.2. Provide effective and immediate first-line information exchange

The implementation of the **24/7 service within Europol's Operational Centre** was completed in October 2016 and it is now fully operational. The new operational rooms and video-walls were used for the first time in the last quarter of the year.

The implementation of a **new information flow**, taking into consideration organisational changes and the IDMC principles, didn't progress as initially planned. This was mainly linked to the delayed roll-out of the new analysis system. The concepts of *cross-matching* and *hit management* were extensively discussed and taken forward in the context of the IDMC and the EAS project. In the shorter term and in order to simplify the process to cross-match against all databases (SOC, CT and 10.4), several improvements were implemented to CAMA¹⁴. Relevant training of operational staff took place regularly. A tailor-made "induction programme" was organised for all operational newcomers.

¹² After a change in the policy, accounts not active for the last 3 years will be deactivated

¹³ This results from the change of policy and definition of active user. In Q4 2016, with the previous policy, it would have resulted in 26% of active users, compared to 23% in 2015.

¹⁴ Europol's system to process the accepted contributions

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The **pilot to monitor SIENA 24/7** ended and Germany is leading its evaluation. Some countries indicated their interest to continue monitoring SIENA 24/7 even if the pilot had concluded.

A new **Case Management System** was developed internally to manage prioritised cases more efficiently. The concept of prioritised cases was introduced at the HENU Workshop in January for assessment and it is now completed. The implementation of the Case Management started with a pilot run by the Europol Migrant Smuggling Centre (EMSC). However, implementation to the rest of the organisation is currently delayed due to technical and resource related difficulties.

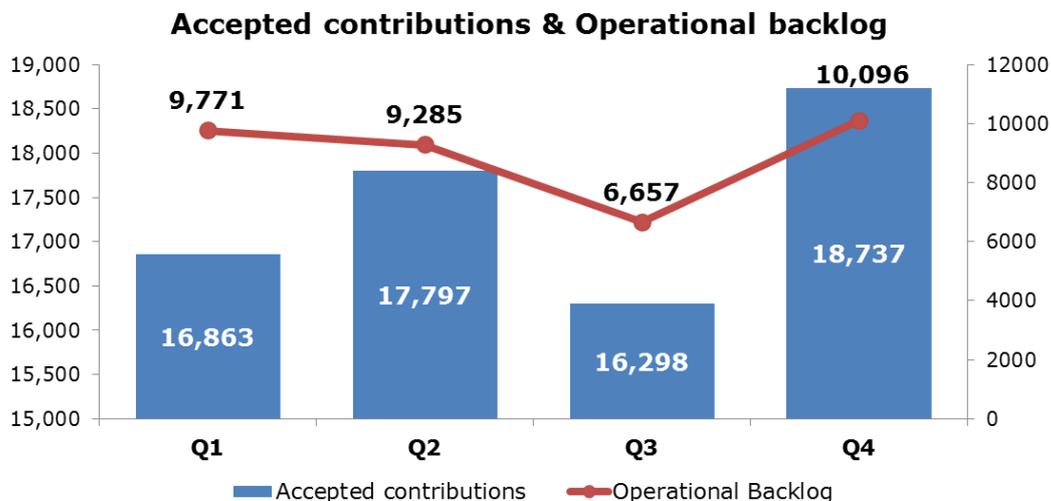
The **EU Most Wanted List** website was successfully launched in January. In 2016, 27 arrests took place, 10 of which can directly be linked to tips given by visitors to the website. 23 MS participate in this initiative. On average during the last quarter, more than 4,000 unique visitors per day accessed the website. An EU-wide media campaign in Q3 and an end-of-year campaign, supported by the Communications team, contributed to these successful results. A 6-month evaluation was prepared and submitted to the JSB.

The **next generation mobile offices** were rolled out and, since October, these are the only Mobile Offices being deployed.

Performance Indicators related to strategic objective 1.2.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
Speed of first-line response to MS requests (days)	40.0	27.5 	20.0
Accepted contributions to be processed	58,353	69,695 	68,170
Operational Information Backlog	7,200	10,096 	5,000

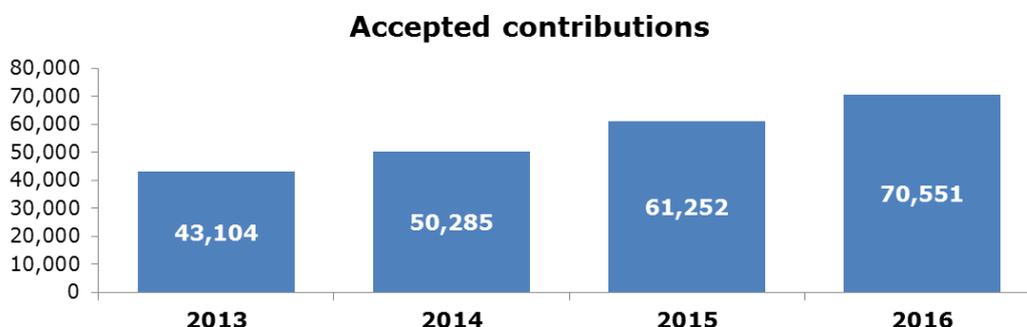
In 2016, 116,243 SIENA messages were received by Europol accounting for 70,551 accepted contributions. 69,695 of these contributions were accepted to be processed (i.e. 98.7%) and that represents an almost 20% increase compared to 2015. Around 25% of these are prioritised contributions.



As the number of contributions to be processed grows, the number of contributions pending processing (**operational information backlog**) inevitably follows the same trend. The year started with 8,075 contributions pending processing and it decreased to around 6,500 at the end of Q3 – quarter with the lowest number of

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new contributions. However, at the end of the year this number increased to just above 10,000 (around 1,200 of which are prioritised contributions). This is far from reaching the target of 5,000 pending contributions to be processed. The situation is followed closely and an action plan to address the issue has been formulated including both short and long-term actions.



The **speed of first-line**¹⁵ **response** significantly improved going from 40 days on average to 27.5 (slightly above the target performance of 20 days). It must be noted that in Q4 the speed of first-line response was 18.3 days, hence, below the set target for the year.

In the context of the 24/7 support service implemented, 6.0% of the SIENA **messages** were **received or sent by Europol outside business hours** (Mo-Fri from 8h to 20h). This percentage has been growing since Q1, from 5.0% to 6.7% in Q4.

Apart from the processing of information, the Operational Centre has contributed by producing 1,293 operational reports (1 OAR, 122 CMR and 1,170 hit notifications) in 2016. The **hit rate**¹⁶ in this period has been 6.7 (3,025 CMR and 1,659 hit notifications for a total of 69,695 accepted contributions to be processed), compared to only 5.8 in 2015.

On-the-spot support was provided with 159 short-term¹⁷ **mobile office deployments**, 56 long-term and 6 permanent deployments.



Strategic Objective 1.3. Strategically enhance partnerships with cooperation partners

Cooperation between Europol and **INTERPOL** during 2016 was very active. Several actions in the Joint Operational Priorities agreed were fulfilled in the areas of Illegal Immigration (Joint Report and Operational Forum), Counter-Terrorism (Brussels attacks – TF *Fraternité*) and Cybercrime (Airport Joint Action Days). Interpol participated in the *Ciconia Alba* Joint Action Day in October, targeting facilitation of illegal immigration, trafficking of human beings, drugs, and payment card fraud.

Europol hosted the Europol-INTERPOL Operational Forum on countering migrant smuggling networks and also participated in the INTERPOL European Regional Conference in order to review the joint operational priorities. Europol was invited to the INTERPOL General Assembly in Bali, where a bilateral meeting with INTERPOL Executive Director of Police Services took place. Europol was represented at the EU-

¹⁵ First-line refers to messages/requests replied by the operational centre whereas second-line refers to those replied by the Focal Points.

¹⁶ Cross-match reports and SIENA hit notifications per 100 accepted contributions to be processed.

¹⁷ Less than 15 days

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INTERPOL Senior Officials Meeting in Lyon. Regrettably, the high-level meeting between the Director of Europol and the Secretary General of INTERPOL had to be postponed until Q1 2017.

Operational cooperation with INTERPOL was very active during the year and INTERPOL was associated to FP Apaté in May and FP Travellers in July. EC3 organised a joint training with INTERPOL on victim identification.

Cooperation with the **United States** (US) at operational level was significant, particularly for cybercrime cases. 125 operational cases supported involved the US. Several new FP associations occurred during the year: US ICE was associated to FP Sustrans, US FBI to FP Travellers and FP Apaté and US Customs and Border Protection (CBP) to FP Check the Web. Access to SIENA was granted to the US National Central Bureau (NCB) and relevant training delivered. Cooperation also involved, among others, discussions regarding the temporary deployment of staff to the International Cyber Crime Coordination Cell (IC4) and, following the agreement with New York Police Department (NYPD), the hosting of a Liaison Officer at Europol - who started in July. Numerous high-level visitors were welcomed on both sides. The Europol Liaison Officer in Washington met all US Agencies in The Hague to enhance cooperation and information sharing.

The Joint Annual Report between Europol and **Eurojust** was finalised according to the new agreed approach for the operational cooperation between the two EU Agencies. The Annual Joint Investigation Team (JIT) expert meeting took place in June. Eurojust was associated to FP Apaté. A joint governance board meeting (College of Eurojust and MB) was organised at Europol's premises in December. Discussions were held regarding the implementation of the hit/no hit access to information when the new regulation enters into force. 50 operational cases supported by Europol involved Eurojust. Other cooperation venues involved considering common procurement initiatives, sharing of premises, avoiding double funding, etc.

Frontex launched the PeDRA project pilot (Operation TRITON) for personal data exchange. Operational cooperation between Europol and Frontex continued at the *hotspots*. The list of vessels of interest was regularly updated (more than 500 suspicious vessels identified) and relevant investigation initiation documents were produced by JOT MARE to recommend actions. Frontex' new regulation was analysed to identify key areas for cooperation in the future.

Europol seconded a counter-terrorism expert to the **EEAS**. An **EU NAVFOR** MED delegate was seconded to Europol and this experience proved to be very fruitful, leading to an extension of the secondment.

The HENU/CEPOL National Contact Point (NCP) meeting took place in March 2016. Europol continued the cooperation with **CEPOL** in the provision of specialised training to experts in the MS.

In terms of cooperation with **Custom authorities**, Europol has continued promoting Joint Customs Operations, in particular in the Customs Cooperation Working Party in the Council. The establishment of an exchange programme and the deployment of SIENA to **WCO** were agreed in 2016.

The implementation of the Europol - **EU IPO** grant agreement was finalised in November and a new Grant Agreement was signed in December. The final report on the implementation of the 2016 grant was forwarded to EU IPO for approval. The **Intellectual Property Crime Coordinated Coalition** (IPC3) was officially launched at Europol's headquarters in the framework of the Intellectual Property Conference held on 12-13 July. Important progress has been made since then, with

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the organisation of an EPE workshop, the ordering of technical equipment and the development of Intellectual Property crime videos and other awareness materials.

Europol participated in the *Schengen evaluation* missions led by the **European Commission** in Italy, Greece, Croatia and France.

Cooperation with the **private sector** continued in many operational cases, mainly in the area of cybercrime. 18 strategic partnerships were signed with the private sector. Also, cooperation between the **EU IRU** and the private sector was very strong and involved relevant online platforms.

In terms of cooperation with **third countries**:

- Bosnia Herzegovina: the cooperation agreement was signed in Q3 but pending ratification by the National Parliamentary authorities.
- Turkey: A liaison officer started at Europol in May.
- Ukraine: the cooperation agreement was signed in Q4 but pending ratification by the National Parliamentary authorities.
- Georgia: The European Parliament approved the agreement in Q4 but pending the Council authorisation to sign the agreement.
- Brazil: The Council has authorised Europol to sign a cooperation agreement. Contact with Brazilian authorities is on-going in view of signing the agreement.
- United Arab Emirates: the agreement was signed in September.
- China: The agreement was submitted to the Council in April and they authorised the Director to sign a cooperation agreement. A letter was sent to the Minister of Public Security to discuss the practical arrangements for the signing.

ECTC has cooperated with Middle East and North African (MENA) countries through various activities, mostly in cooperation with CTC, EEAS, CEPOL or INTERPOL. ECTC has delivered training activities (Turkey, Tunisia and Jordan) and organised, together with CEPOL, a study visit of senior Lebanese security officials. Europol was invited as an observer to the heads of CT units meeting of the Arab Interior Ministers Council (AIM-C).

The new **External Strategy**, in line with the new multiannual Europol Strategy, was adopted by Europol's Management Board in the last quarter of 2016. The **EU Global Strategy**, published in 2016, was analysed to identify links with the Europol External Strategy.

Europol is currently assessing the impact of the new **EPPO** draft Regulation.

Performance Indicators related to strategic objective 1.3.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
SIENA messages exchanged by third parties (TP)	75,902	95,043 ✔	90,977
Operations supported by Europol involving cooperation partners	276	385 ✔	320

The number of **SIENA messages exchanged by Third Parties** was 95,043 (almost 11% of the total). This represents a 25% increase compared to 2015 and is above Europol's forecast. 320 **operational cases involved TP**, which is well above the target and almost 40% above 2015's figure. It must be noted that this number increased notably in Q4 – particularly with operations involving the United States.

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During 2016, 37 new **associations** of TPs **to different Focal Points** took place. This translates into 93% of TPs with an operational agreement being associated to, at least, one FP.

The number of operations supported by Europol involving INTERPOL, Eurojust, Frontex, US and the private sector, together with the number of SIENA messages exchanged, is shown in the following table:

Third Party	Operations supported by Europol	SIENA messages exchanged
INTERPOL	21	1,595
EUROJUST	50	2,806
FRONTEX	9	1,766
US	125	14,287
Private Sector	43	-

In 2016, 43 operations supported involved cooperation with the private sector. Additionally, 18 new **strategic partnerships** have been signed with the private sector. Most of them, however, were signed in Q3 and linked to the launch of the IPC3.



Goal 2: Europol will provide the most effective operational support and expertise to MS investigations by developing and employing a comprehensive portfolio of services



Strategic Objective 2.1. Support MS investigations in the area of SOC

The **EU Regional Task Force** (EU RTF) in Catania (IT) and Piraeus (GR) were both fully operational in 2016, with fixed workstations and EMSC officers deployed on a rotational basis. The Greek National Operational Plan, which coordinates the Hellenic Law Enforcement Authorities and Europol, was signed. The basic objective of the plan was the implementation of coordinated joint operational actions and investigations to be conducted not only in Greece and the rest of Europe, but also in third countries, such as Turkey, to tackle and dismantle organised smuggling networks and cross-border criminality.

The MB was informed, in the May meeting, about the developments in the **Guest Officers** concept and the implementation of **Secondary Security Checks** at the EU external borders.

During the first three quarters in 2016, Europol continued deploying staff from the operations department to the **hotspots**, pending the recruitment and training of the Guest Officers. In July, 116 Guest Officers were placed on a reserve list for recruitment, following an initial call resulting in 183 applicants. A training programme for the Guest Officers was developed while, at the same time, a new EPE platform, specific for the training for Europol Guest officers, was launched. The first batch of Guest Officers (10), were trained and deployed to Greece in September. A second (16) and third (5) group of guest officers were later deployed in Q4. The ECTC provided relevant training, briefings on the Common Risk Indicators and other CT related issues. EC3 delivered awareness sessions to officers in the hotspots on document forgery and an expert in ID fraud was recruited. A second call for Guest Officers was made, resulting in 225 applications and 208 candidates shortlisted. Guest Officers will be deployed in Italy early in 2017.

The EU Mobile Investigation Support Teams (**EMIST**) and EU Mobile Analysis Support Teams (**EMAST**) have been deployed not only to the hotspots in Italy and Greece but also to support the Joint Action Days in other countries such as Austria, Germany, Hungary, Slovakia, Belgium, Serbia or the Former Yugoslav Republic of Macedonia.

A **situation report on facilitation of irregular migration**, presenting an EU-wide overview of the situation from a law enforcement perspective in coordination with competent authorities and Europol's operational partners was concluded in the first quarter of 2016. Additionally, daily¹⁸ intelligence notifications on migrant smuggling, Early Warning Notifications regarding illegal immigration and Intelligence Packages were regularly produced.

Europol supported numerous operations related to **counterfeiting and Intellectual Property** in 2016 as a result of the current active cooperation and grant agreement with EUIPO, as previously described under strategic objective 1.3.

¹⁸ At the end of 2016 the frequency of this notifications was reduced

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Several tools, such as the European Reporting on Illicit Synthetic Substance Production (ERISSP), the European Reporting on Illicit Cannabis Production sites (ERICP) or the European Reporting on Illicit Cocaine Extraction-conversion sites (ERICES), were established, jointly with **EMCDDA**, to collect data on synthetic drugs, cocaine and cannabis cultivation in the Member States. Different training sessions were organised in order to make a more effective use of these tools.

An increased **multidisciplinary approach** to fight crime was reflected in the OAPs. As a result, several operational actions in the OAPs involve Customs, Eurojust, the Customs Cooperation Working Party (CCWP), Money Laundering and Asset Recovery offices.

Performance Indicators related to strategic objective 2.1.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
Satisfaction with operational support and analysis in the area of SOC	9.1	8.8 	8.5
Operations supported related to SOC	564	664 	568
Operational reports delivered related to SOC	1,251	1,388 	1,549
SIENA messages exchanged related to migration	-	18,711 	15,447
On-the-spot support deployed related to EMSC (in days)	Not established	3,217 	1,595

Europol has provided **operational support** to 664 operations related to the area of *Serious and Organised crime* (SOC). The satisfaction with this operational support, measured and monitored via regular feedback provided by the lead investigators and experts by means of online surveys, is 8.8 which is above the target of 8.5 but slightly below last year's result. Satisfaction was measured for 66 eligible operations supported by Europol.

During 2016, Europol coordinated 82 operations with **Joint Action Days** (JAD) related to SOC and financially supported 197 **operational meetings**. A total of 1,388 **operational reports** related to this crime area have been produced by Europol's analysts, which falls below the annual target set at 1,549 but is above (+11%) the 1,251 operational reports produced in 2015. More in detail, 1,242 CMR and hit notifications (1,033 in 2015), 120 OAR (99 in 2015) and 26 other operational reports¹⁹ (119 in 2015) were produced. It must be borne in mind that in 2016 the number of OARs (which are more detailed and time-consuming to produce than the CMRs) delivered increased by more than 20% compared to 2015.

Regarding the newly established **EMSC**, almost 12,000 contributions have been accepted by FP Checkpoint and almost 19,000 SIENA messages related to migration have been exchanged with cooperation partners. Other important achievements by the EMSC in 2016:

- 168 CMR + Hit notifications delivered
- 23 operational analysis reports (OARs) produced
- 173 intelligence notifications on migratory flows
- 13 Investigation Initiation documents produced by JOT MARE and 34 priority operational cases supported
- 86 operations supported related to criminal networks of smugglers
- 53 operational meetings organised and financially supported by the EMSC

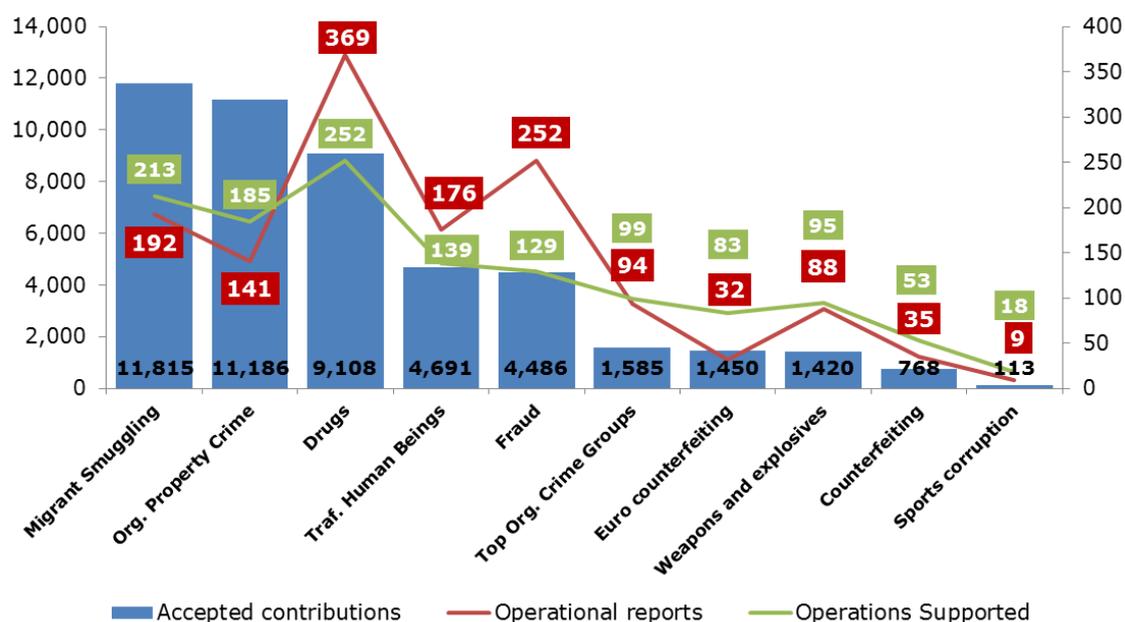
¹⁹ This includes technical analysis reports, intelligence notifications and financial intelligence reports.

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- 3,217 man days of on-the-spot support to hotspots and EU RTF. This is well above (more than double) the targeted number of deployed man-days for 2016.
- 88.4% of successful referrals by the EU IRU on suspicious internet content related to illegal immigration. A total of 155 decisions for referral were made by the EU IRU related to this crime area.

Concerning **other crime areas within SOC**, 29 operations related to counterfeiting and piracy of Intellectual Property rights (IPR) were supported. In four occasions, Europol provided operational support to dismantle illicit drug labs. Support to dismantle print/mint shops was provided in three occasions. 20 MOCGs were dismantled in the context of the project of Baltic and Russian speaking MOCGs. For two EMPACT priorities a High Value Target (HVT) was identified.

The number of accepted contributions, operational reports produced and operations supported in 2016, per crime area within the European Serious and Organised Crime Centre (ESOCC) are displayed in the graph below:



Strategic Objective 2.2. Support MS investigations in the area of cybercrime

Europol is committed to providing **advanced forensic support**, particularly in the area of cybercrime. In order to do that, state-of-the-art specialised hardware and software tools were planned to be acquired in 2016. This included the purchase of a Microscope and a Video Spectral Comparator (VSC) (delivered at the end of December) and other forensic tools for data acquisition. The ENFSI online forensic data sharing project, which is of high importance for the EU forensic examiners to share standardised data, was deprioritised due to the lack of ICT support.

A public tender for the provision of the Image and Video Analysis Solution (**IVAS**) **solution** was launched and completed in the first quarter of the year. The final hardware infrastructure was procured, installed and configured. The software was installed and tested in the context of a FP Twins operation with very convincing results. The tool was finally approved for release and deployment in Q4.

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36 UFED users and other additional 19 staff received **training** on forensic support. Also, several awareness sessions were delivered to Guest Officers in the hotspots on document forgery.

In order to develop and **promote unique services** in the area of cybercrime for the law enforcement community, Europol participated in the technical meeting for the ISF funded OF2CEN project (On-line Fraud Cyber Centre and Expert Network) and in the Internal Horizontal Group on Black Market Sites. Europol presented the **decryption platform** to the HENUs and a document was submitted to the Council suggesting that Europol could become the centre of excellence for encryption.

EC3 currently counts 53 sub-communities available on EPE SPACE and more than 3,200 active users.

The **ISO²⁰ accreditation** process for the **forged money laboratory** was completed and the lab was accredited until December 2020. The 12 points previously raised by the accreditation body were addressed before the final accreditation process.

EC3 supported several **innovation projects** under the H2020 framework. Several business cases and operational support tools were developed to enhance the current EC3 capabilities and, also, for the use of the MS.

In terms of the **outreach** communication programme and **prevention and awareness** campaigns:

- The EC3 Twitter account has now over 6,000 followers.
- The #Malwarebasics social media campaign was successfully launched in April. Material was prepared in 20 languages for 22 EU MS, 3 non-EU and 2 EU Agencies. The campaign was supported by more than 45 private sector partners.
- Safer Internet Day in February supported via EC3 Twitter channel
- EMMA (European Money Mule Awareness) was successfully launched in Q1 with 8 EU MS, Europol, Eurojust and the European Banking Federation.
- EMMA 2 operational week took place in November followed by an awareness week. As a result of this action, the banking sector has shown interest in EMMA 3,
- Online child sexual extortion campaign: a tender was launched and completed. The selected company produced a video and the first draft is expected in Q1 2017.
- Progress was made regarding the following projects: #Up2U campaign (targeting young cybercriminals), No More Ransom project (extended in Q4 by adding additional partners, two videos to be produced)
- Support was provided to Europol Liaison Officer in Singapore (for the Strategic Meeting on Payment Card Fraud) and INTERPOL-Europol Cybercrime Conference (general coordination).

²⁰ International Organization for Standardization

Performance Indicators related to strategic objective 2.2.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
Satisfaction with operational support and analysis in the area of cybercrime	9.0	8.5 ✓	8.5
Operations supported related to cybercrime	131	175 ✓	131
Operational reports produced related to cybercrime	750	2,220 ✓	984

Europol has provided **operational support** to 175 operations in the area of cybercrime, which represents 33% more operations than in 2015. The satisfaction with this operational support, measured and monitored via regular feedback provided by the lead investigators and experts by means of online surveys, is at 8.5 which is above the target of 8.5 though slightly below last year's results. Satisfaction was measured in 13 eligible operations.

During 2016, Europol has coordinated 40 operations with **Joint Action Days (JAD)** related to cybercrime and organised and financially supported 47 **operational meetings**. A total of 2,220 **operational reports** related to this crime area have been produced by EC3's analysts, which is well above the target set of 984 reports. In total, 1,859 CMRs²¹ and hit notifications (566 in 2015), 281 OARs²² (147 in 2015) and 80 other operational reports (37 in 2015) were produced in 2016.

Other important indicators related to the area of cybercrime:

- The decryption platform was used 26 times
- 949 data storage devices have been examined, including HDD, SD cards, USB drives, mobile phones and servers
- 990 technical investigations on printing devices with 9 forensic examinations on printed materials.
- 19 countries participating in National Centre for Missing & Exploited Children (NCMEC) info flow, with 31,981 intelligence packages distributed
- 239 internal and external presentations delivered as part of the outreach programme.
- 106 series uploaded to ICSE database using IVAS (deployed in Q4)
- EMAS was used to analyse almost 220,000 suspicious files (141,000 malicious)
- Around 16 TB of data were exchanged via the Large File Exchange (LFE) and 2,349 TB via the Forensic IT Environment (FITE)
- The Anonymous Internet Service (AIS) was used more than 8,500 times to analyse 234 GB of data.
- 251 mobile device examination kits were deployed. The Forensic Lab was deployed on-the-spot 41 times.
- 5 print and mint shops dismantled
- At the end of 2016, EPE SPACE had more than 3,200 active users and 53 sub-communities
- Numerous meetings, workshops, presentations and activities, also involving the private sector

²¹ It must be noted that FP Twins produced 1,356 CMR (73% of all EC3's) only in Q3.

²² FP Twins produced 131 OAR (46% of all EC3's) only in Q4.



Strategic Objective 2.3. Enhance cooperation in the area of counter-terrorism

The **European Counter Terrorism Centre** (ECTC) was launched on 1 January 2016, following a decision of the EU Justice and Home Affairs Ministers in November 2015. To guarantee sufficient resources for setting up this centre, a budget amendment was adopted by the budgetary authority in April and, following that, by the MB at its meeting in May. Subsequent recruitment for the new posts and all the necessary arrangements at Europol's premises to accommodate them were successfully completed.

Setting-up the **Counter Terrorism Joint Liaison Team** (CT-JLT) to support operational projects on the medium and long-term was given a very high priority. The terms of reference were drafted early during 2016 and regular meetings with the LBx were organised. At the end of 2016, the CT-JLT was supported by 9 EU MS and 3 TP and two projects had been initiated: Foreign Terrorist Fighters list and facilitators of means for perpetration of terrorist acts. Three additional MS have announced secondment to the CT-JLT.

After the Paris/Brussels terrorist attacks and to support France/ Belgium in their investigations, **Taskforce Fraternité** was set-up, as part of the **Counter Terrorism Joint Action Team** (CT-JAT). The taskforce is composed of Europol staff and seconded experts from France and Belgium. Taskforce City was set up following the Berlin attacks on 19 December, providing on-the-spot operational support to the German and Italian authorities.

Several meetings of the **Working Group (WG) DUMAS** were organised and financially supported during the year: Alert list subgroup in February, Steering Group in April and September, Plenary meeting in April. At the meeting on 5 December the WG DUMAS came to the conclusion that the group had achieved its goals and could, therefore, be closed. A Plenary meeting will take place in Q1 2017 to formalise this and the on-going projects will be handed over to ECTC for completion.

The **Counter Terrorism Group** (CTG) visited Europol in October and possible cooperation with the ECTC was discussed.

The further development of the **EU Internet Referral Unit** (EU IRU) into its full operational capability was completed. The development of the Internet Referral Management (IRMa) solution was completed according to the project scope for 2016. Trial licenses for a number of Internet monitoring tools were assessed during the year. A new team in ICT is dealing with the improvement of the current operating capability of the EU IRU in order to be more flexible and be more responsive to business needs. Several MS (Spain, France, Germany, Italy and Netherlands) were visited to present the portfolio of products and services and to further engage with national IRU units (e.g. UK CT IRU and FR IRU) and national contact points for referral activities. Referral Action Days were organised at Europol's headquarters with units from Belgium, France, Netherlands and Romania. Conference calls were held with several relevant private companies as part of the outreach programme. A specific EPE IRU platform was established - it will be open to the Law Enforcement community in Q1 2017. EU IRU actively participated in H2020 projects like PROTON or SAFRON.N8.

Europol presented the plans to improve access to **SIS II** to the SISVIS Committee in May and the matter is also reflected in the Roadmap on information exchange

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and interoperability adopted by the Council on 10 June 2016. This includes the business concept and business use cases of systematic checks within SIS II.

The envisaged extension of Europol's access rights to SIS II was confirmed by DG HOME in June and a proposal for a legal revision of the SIS framework is expected early in 2017. Europol managed to implement the SIS II *batch search* functionality in the Unified Search Engine (USE) platform.

SIENA multilevel security was successfully launched at the end of July, allowing the exchange of up to **EU CONFIDENTIAL** messages. The amount of CT information exchanged via SIENA, which remains the default system for communication in CT matters, experienced a significant increase. It was agreed that the roll-out of a tool for communication at EU-SECRET level for the PWGT, originally envisaged to be integrated in Europol, would remain under the lead of the German Counter Terrorism Department (BKA) and that ECTC would become a member of the network.

The EU **Passenger Name Record** (PNR) agreement was approved during the second quarter of 2016 and published in the Official Journal on 5 May. Europol participated in the first meetings regarding the implementation of the PNR Directive, organised by the EU Commission.

The existing provisions within the EU – US PNR Agreement (Art. 18) are being exploited in the framework of the operational pilot with the United States. Other operational pilots with Hungary and United Kingdom are being discussed. Furthermore opportunities to cooperate with Australia and exploit the provisions within the EU - AU Agreement (Art. 6) were being explored.

Europol has participated in various PNR related meetings: the TRIP Conference, Nationaal Coördinator Terrorismebestrijding en Veiligheid (NCTV) meeting in Amsterdam, the French and German PNR project meetings, the International Targeting Conference conducted in Romania, the PNRDEP meeting in Lithuania and in Brussels. Europol has also presented its contribution to PNR to MEP Hilde Vautmans. In these meetings, the focus was on the PNR Architecture, interoperability, integration via SIENA and support to the Passenger Information Units (PIU).

A dedicated PNR SIENA mailbox was established for PNR information exchange. However, a dedicated PNR SPOC is still to be defined – although the implementation project has been initiated and the necessary resources allocated. The business processes for information handling are under development and expected to be ready for Q1 2017.

To raise awareness and promote the use of **FP Travellers** and **EIS** amongst MS and TP counter terrorist experts, a first group of 6 MS were visited with very positive feedback.

The embedment of **FIU.net** provided the opportunity to receive TFTP requests directly from national FIUs. This will certainly increase the scope of TFTP and will help to close the CT financial intelligence gap to strengthen CT investigations. Some MS FIUs have already made use of this channel.

The DPO reviewed all **TFTP** Article 4 requests on a monthly basis and all related JSB recommendations were addressed²³. Europol delivered a contribution for the assessment and to support the business justification to establish the **European**

²³ One recommendation to develop TFTP tailored Data Protection logs is dependent on the go-live of the new EAS

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Terrorist Finance Tracking System (EU TFTS) to combat money laundering and counter the financing of terrorist activities. Europol will be associated to the development of the EU TFTS implementation concept in 2017 and will also participate in the impact assessment in ICT resources.

The key findings of the TE-SAT 2016 were presented to the Civil Liberties, Justice and Home Affairs (LIBE) Committee of the European Parliament (EP) in May. The report was finally published on 20 July 2016.

In order to intensify the cooperation with the **Crisis Management Centre of the European Commission**, the signature of a Memorandum of Understanding was discussed in 2016. Although regular meetings between ECTC and DG Home were held, no further progress was made.

In terms of **cooperation with other partners**:

- Several presentations were delivered to visiting delegations from the United States. Among others, Europol looked into establishing structured cooperation with the US Terrorist Screening Centre (TSC), managed by the US FBI.
- The ECTC, in cooperation with US Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) LO, delivered a presentation on the Terrorist Radicalisation Assessment Protocol, for more than 70 participants from more than 30 countries and 40 agencies worldwide.
- Europol participated in the International Association of Chiefs of Police (IACP) Committee on Terrorism (COT) meeting and presented ECTC. The Liaison Office in Washington also supported their Foreign Fighters Video Project.
- The ECTC met several stakeholders in the US in the framework of TFTP.
- Europol attended a CT Middle East and North Africa (MENA) meeting at Interpol, resulting in a list of over 1,500 FTFs shared.
- An ECTC delegate was seconded to the EEAS headquarters for six weeks.
- Europol contributed to European Security and Defence College (ESDC) training and presented Europol's potential role in the Common Security and Defence Policy (CSDP).
- Europol participated in a CEPOL training mission to Jordan.
- A study visit for the CT Lebanese authorities was organised in December.

Another objective pursued was to ensure that the Operational Action Plan (OAP) on **Weapons and Explosives**²⁴ increasingly targeted the counter terrorism phenomenon. FP Weapons and Explosives supported several investigations with connections to terrorism, in cooperation with the ECTC. A meeting with CT experts and Firearms/Organised Crime experts from 20 countries was organised in September in Madrid, Spain.

Under the umbrella of **EMPACT Firearms**, Europol co-organised the Internet Investigations Training regarding firearms trafficking on the internet. This training, delivered by experts from the US and Canada, was attended by 39 experts from 15 EU MS and Europol and was combined with presentations from Europol, Eurojust and the private sector. This training was followed by a *cyber patrol exercise* to apply all the principles and techniques learnt.

A working group for the preparation of a **manual to tackle illicit trafficking of firearms** in the Internet/Darkweb was set up, with experts from different MS and Europol. It is expected that the first draft will be ready in Q1 2017.

²⁴ FP Firearms was renamed FP Weapons & Explosives after a change in the opening order.

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Europol participated in the **Western Balkans** Information Exchange Conference in June to enhance cooperation with the Western Balkans countries and **Frontex**, especially in view of the Joint Action Day planned for Q1 2017. FP Weapons & Explosives together with Frontex will deploy experts to the region for the duration of the operation.

Regular updates on the common set of **risk indicators** (CRI) (foreign terrorist fighters) established by the Commission are performed. Europol sent two requests to MS (July and December) for their contributions to the CRI. The last updated report was disseminated to MS in October.

Finally, Europol is committed to systematically follow **links between SOC and terrorism**. In this respect, 2,281 links on suspects were identified between AWF SOC and AWF CT data for further analysis. Regular contacts between ECTC and EMSC take place to discuss about cases with potential links between terrorism and migrant smuggling networks.

Performance Indicators related to strategic objective 2.3.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
Number of accepted contributions to the AWF related to CT	2,726	5,593 ✓	3,646
Number of EIS objects related to terrorism	6,115	15,525 ✓	7,644
Operations supported related to CT	45	127 ✓	49
Operational reports produced related to CT	177	268 ✓	153
SIENA messages exchanged by CT units	457	12,208 ✓	9,180
% of decisions for referral by the EU IRU	78.0%	95.7% ✓	78.0%
% of successful referrals by EU IRU	88.0%	90.2% ✓	88.0%

The number of **accepted contributions to the AWF CT** has more than doubled, compared to 2015. A total of almost 5,600 contributions related to CT were accepted in 2016. FP Travellers accounts for almost 50% of these contributions and highlights the importance of the *foreign fighters* phenomenon. Additionally, the number of **SIENA messages exchanged by CT units** has significantly grown, exceeding the target of 9,180 messages by more than 30%. 46 CT units are configured to SIENA, compared to 32 at the end of 2015.

A similar positive trend is perceived in the **EIS objects related to terrorism**. The total number of objects (15,525) has more than doubled compared to 2015 year-end figures, again showing the importance of counter-terrorism in all MS. 20 EU MS CT units were connected to EIS at the end of 2016. 8,545 person objects in EIS are related to terrorism (an increase of more than 4,500 compared to 2015) and 7,884 correspond to *foreign fighters*. All these objects were provided by 21 MS and 7 TP. A total of 164 CBCC (hits) on CT related persons were found in 2016.

In 2016, the number of **operations supported** by the Focal Points within the ECTC was almost threefold compared to 2015. 70% (92) of the operations were supported by FP Travellers. The number of **operational reports** produced by the Focal Points within the ECTC²⁵ (149 CMR and hit notifications, 83 OAR and 36 other operational reports) exceed the target and was represented a 50% increase compared to 2015.

²⁵ Including TF Fraternité

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In 2016, **TF Fraternité** organised 22 operational meetings, extracted and analysed 19 TB of information, exchanged 2,500 SIENA messages and produced more than 100 operational reports (56 OARs, 19 CMRs and 33 other operational reports).

During 2016, Europol deployed a first group of 10 **guest officers** in Q3 and an additional group of 21 guest officers in Q4 to the hotspots. Europol staff was also regularly deployed to support the secondary security checks. In 2016, 4,823 persons, 655 documents and 719 means of communication (emails, mobile device, etc.) were referred for **secondary security checks**, resulting in a total of 39 hits.

The **EU IRU** achieved that 90% of the total contents referred for removal, which accounts for almost 21,000 suspicious contents, were successfully removed from Internet. Around 96% of the content assessed was referred for removal. The EU IRU managed to produce 120 operational reports and support 48 operations in 2016. 61 Strategic Reports were produced by the EU IRU in this period.

Regarding **financial intelligence investigations**, 122 TFTP article 10²⁶ requests were performed which generated 21,720 intelligence leads. 12 TFTP article 4²⁷ requests and 10 TFTP article 9²⁸, leading to 191 intelligence leads, occurred in 2016.

On the **firearms and explosives** side, 66 operations were supported, 1,420 contributions were accepted by the Focal Point and 83 CMR and hit notifications were produced. Additionally, 5 operational analysis reports were produced in the period.



Strategic Objective 2.4. Develop and manage high quality analytical support and an evolving portfolio of cross-cutting operational capabilities

Europol produced a blueprint/vision paper on the future needs in terms of **analytical capabilities**, in the context of the IDMC. During a HENU workshop, the Member States were consulted on this topic. The current analysis process at Europol was mapped to facilitate the discussion. Related to this, a cross-departmental working group defined quality criteria for the CMRs and the OARs, which were agreed in the last quarter of the year. Additional progress was made regarding the further development of the following topics: future operational analysis projects, thematic and strategic analysis, prioritised cases (completed), definitions and ontology (completed), Europol's products and services (completed). The different role profiles involved in the analysis of information were identified within the frame of the new EAS project.

Europol conducted some research with academia and the private industry in order to be familiar with the new trends and solutions related to **information management and analysis**. Among others, Europol attended a conference on big data within the law enforcement community and is currently analysing geo-mapping solutions with the private sector and discussing with academia about the usage of Social Network Analysis.

Different **training** initiatives, linked to the further development of analytical capabilities for Europol staff, were organised:

- Regular induction programme for new staff in the operations department.

²⁶ EU requesting for TFTP searches

²⁷ US requests to obtain data from designated providers

²⁸ Spontaneous provision of information

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- The OIAT e-Learning module was developed. Also, an advanced classroom course on operational analysis was delivered in Q4.
- Strategic Analysis course is now provided as an e-Learning course. Additionally, a classroom training course was also organised in Q4.

To increase operational performance, a **Case Management System** (CMS) was developed in-house and tested within the EMSC. This CMS will support the prioritisation and follow-up of operational investigations. It was expected that this tool would progressively be deployed to other FP. However, due to technical and resource-related difficulties, this initiative was delayed.

Also, to gain operational performance, merging the drugs FPs and the creation of Top OCG is likely to be implemented as part of the transition to the new regulation.

In order to enhance the relevance of analytical products and be able to use **biometric data**, the fingerprint solution (**AFIS**) project was added to the ICT work plan in September. A tender was initiated in 2015 and the framework contract was signed in October, with expected implementation in 2017. In terms of biometric data, the EAS held, at the end of 2016, 95 DNA profiles and 1,808 fingerprints.

In January 2016 the **FIU.net** was embedded in Europol so that more information could be exchanged between the FIUs in the MS. The embedment of the FIU.net in Europol provided an opportunity to promote the usage of **TFTP** as FIUs can request TFTP searches directly through Europol. A mechanism to route Art.10 TFTP searches via FIU.net was implemented in 2016. Recruitment for the FIU.net was completed in 2016, while knowledge transfer from consultants continued. FIU.net staff participated in numerous awareness raising events, conferences, workshops, presentations and on-site visits. The final Service Level Agreement (SLA) was signed in October. Europol and the Dutch Ministry of Security and Justice reached an agreement for the transfer of IP rights and assets. A FIU.net Advisory Group was established and four meetings took place already in 2016.

Resource constraints didn't allow for any on-site visits to the FIU.net. Support from **FP Sustrans** to Suspicious Transactions (STR) Awareness Project is at significant risk due to severe loss of specialist resources. If Europol is no longer able to support this project, the number of MS FIUs and Customs Services regularly providing suspicious transactions risk to decrease. FP Sustrans provided horizontal support within financial investigations to the three centres (ESOCC, ECTC, EC3).

The annual discharge procedure for the **EMPACT DA** in 2015 was clarified with the ECA. The tender for the external audit was completed and the audit performed, with positive feedback both from ECA and the external auditor. A new tender for the audit of the EMPACT DA in 2016 was launched and the award is expected early in 2017. However, the tender for the impact assessment of the EMPACT DA is still to be launched. An internal control framework, that includes ex-post and ex-ante verifications, was established and used to validate 6 final reports.

Europol will continue to **fund the EU Policy Cycle and EMPACT in the framework of the new Regulation**. Internal meetings were organised with relevant stakeholders in order to explore the best alternatives. The topic was discussed at the NEC meeting in May and DG Home and COSI were consulted for advice. The future funding scheme for the EU Policy Cycle in 2017 was, subsequently, developed and is based on a two-track approach to grants and Europol funding for EMPACT meetings. The final funding scheme was presented to the NECs in November. COSI agreed with the proposal and provided strategic guidance on enhanced financial support to some of the EMPACT Priorities. The 2017

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OAPs were drafted in October and approved in December, taking into account identified best practices and focusing on SMART objectives.

The **Special Tactics** team participated in a number of expert and core group/steering board meetings within the following networks: ATLAS, Cross-Border Surveillance Working Group (CSW), EuNAT, European Network of Fugitive Active Search Teams (ENFAST), ISLE, Covert Human Intelligence Source (CHIS) and Witness Protection. Special Tactics team, together with Communications team, positively supported the ENFAST end-of-year campaign on Europe's Most Wanted Fugitives website.

The new operational rooms were ready by the end of 2016 and the first operations to make use of them were planned for Q1 2017.

Performance Indicators related to strategic objective 2.4.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
% of operational actions in the OAPs	29%	50%	50%
Operations supported with Financial Intelligence products/services	35	45	42

Europol produced a total of 493 **operational analysis reports** for all crime areas, which compares to 282 in 2015. Additionally, 100 **strategic analysis reports** and 268 **other strategic reports**, like Early Warning Notifications (EWN) or intelligence notifications, have been produced and distributed among the Law Enforcement community.

The **satisfaction with operational analysis** at Europol, measured via the online surveys sent to lead investigators involved in operations supported by Europol, was very high (8.8/10). These results correspond to the ratings given by 64 investigators involved in 46 different operations for which analysis reports were delivered.

45 operations supported by Europol included the provision **of financial intelligence products and/or services**. This is a very positive result, particularly considering that in 2015 there were only 35 of these operations. 2,630 **contributions** were accepted by FP Sustrans and another 1,541 by FP Asset Recovery. In total, 164 **operational reports** were produced related to Financial Intelligence. Regular STRs were contributed by 7 MS FIUs.

In an attempt to make the **OAPs** more operational, 50% of the actions in the 2016 OAPs were classified as operational, compared to 29% in 2015. 49 **IMPACT** meetings were organised and financially supported during 2016 and the **IMPACT DA** budget payment rate was 68%.

Europol further developed its expertise in **Special Tactics**. In 2016, 2 OAPs included actions that were related to Special Tactics and 35 awareness initiatives were organised in that respect, together with 33 operational meetings. On top of that, 6 SIENA mailboxes were created to connect the Special Tactics network.

Regarding **operational training activities**, 124 courses were organised in 2016 with a satisfaction score of 8.9, in line with last year's performance. Regrettably, only 9 of these operational training courses were evaluated.



Goal 3: Europol will be an efficient organisation with effective governance arrangements and a positive reputation



Strategic Objective 3.1. Ensure effective, efficient and accountable management of Europol's resources

Work on the implementation of the new **Europol Regulation** continued, with particular focus on ensuring a cross-departmental approach to the Integrated Data Management Concept (IDMC). All the relevant processes impacted by the new regulation were reviewed and assessed.

The **Europol Strategy 2016-2020** was adopted by the MB, communicated to all staff and presented to Law Enforcement Working Party (LEWP) and COSI. It was also published on Europol's website and communicated via an electronic booklet. Regarding the **ICT Strategy** a first strategic paper was drafted in September, introducing innovative and smart capabilities to unleash the potential of big data for Europol and the MS, in line with Europol's new regulation. This led to a roadmap for implementation by means of two innovation programmes to be launched in 2017: reshaping the ICT toolkit and modernising the administrative and governance functions.

The **Single Programming Document** (SPD) for 2017-2019 was approved by the MB and endorsed by Council in 2017. Resources and budget were allocated to the different activities while procurement planning was successfully incorporated in the document. The draft SPD 2018-2020 was discussed by the HENUs and the WG on Corporate Matters; the MB approved the draft SPD which was subsequently submitted on 31 January 2017 to the EU Commission, EU Parliament and Council. A new model for **Activity Based Budgeting and Costing** (ABB/ABC), in line with the allocation criteria used for the SPD, was developed and embedded in the quarterly HR and Financial reporting.

In order to adapt Europol's new structure (with the addition of the EMSC and ECTC, together with the creation of the Horizontal Operational Services) to the new Strategy, a **re-organisation of the Operations Department** needed to be implemented. Following the approval of a Blueprint and a detailed description of the changes, all staff at Europol was informed in several awareness sessions. An implementation taskforce was created and regular follow-up meetings were organised. The re-organisation was successfully implemented on 15 October. At the same time, the new Front Office started the 24/7 activities.

Regarding the **e-Invoicing** solution, discussions are still on-going between Europol, a supplier (more than 50% of all the invoices), DG DIGIT and two external suppliers. ICT worked in close cooperation with the services of the Commission to launch the **e-Procurement** solution in October. DG Digit, supported by Europol, provided a presentation on this tool to Europol's contractors with a framework contract.

The **procurement function** at Europol was successfully established and improved by the installation of procurement cells, agreement of Terms of Reference (ToR), defining reporting requirements, updating tendering documentation, creating a specific section in IRIS (Europol's intranet) and implementing a tender database.

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In terms of ABAC Assets/**FMIS** a full asset inventory was finalised in Q4, allowing traceability of more than 3,600 assets amounting to more than € 420k. An interface to link FMIS to ABAC Assets is currently being prepared.

A contract was signed for the installation, configuration and training of an **e-Recruitment** tool for non-restricted posts. This tool was successfully implemented in November. The current **HR System** will not be further developed in view of the future implementation of SYSPER II for which an SLA was signed. The kick-off for the SYSPER II project is expected in Q1 2017.

The development of the **Conference Management System** (CMS) experienced delays. A decision was made to develop the key functionalities of the system using the Open Source Platform in IRIS. This is expected to start in 2017. On average, 750 (internal & external) meetings were organised per month in 2016 at Europol's premises.

The **Leadership & Management Programme** launched to strengthen line management capabilities, progressed well, with training sessions organised on *Motivating your staff* and *Lead your team* for team leaders and managers. Workshop and focus groups on *Matrix organisations* and *Clear writing for editors* were organised and combined with coaching to improve the quality of the appraisals and the merit assessments. A 360 feedback exercise for eligible middle and senior managers is planned for Q1 2017. This had an impact on the timing for the Staff Survey, initially planned to be conducted in Q3 2016 and postponed to Q3 2017.

Several **Lunch & Learn** sessions were organised in 2016 (both with internal and external presenters) covering a variety of topics (operational, competency-related, gender balance, etc.). Europol promoted diversity throughout the *Steering Group on Gender Balance and Diversity* and also emphasises this aspect when advertising managerial vacancies. Europol supported the attendance of 13 female employees to the Women in Leadership Masterclass at Rotterdam School of Management.

A Steering Committee meeting between the Host State and Europol took place to endorse the **Strategic Housing Roadmap** (SHR) implementation programme. Intermediate solutions (staff growth from Q3 2016 to Q2 2017), mid-term solutions (planned staff growth from 2017 to 2020) and a separate housing study (to investigate the possibilities outside the current premises) were considered. The draft Spatial Programme of Requirements and the Structure Plan of the Building were reviewed. The growth prognosis was updated and showed a serious need for additional workplaces in 2017-2018. Europol requested the Host State to facilitate 150 additional workplaces in 2017. Additionally, enhancement of the Audio Visual (AV) systems, affecting the improvement of the interpretation booths among others, is still to be implemented. This is planned to start in 2017 and extend until 2019.

The new operational rooms, Video-walls and open-floor concept for the operational centre and Press Skype Studio were successfully delivered in 2016.

Progress was made in the implementation of the **Environmental Performance Management Programme** (EPMP) with the systematic collection of data on environmental indicators and the identification of additional data/sources in order to measure the (CO₂) Carbon Footprint of the organisation. The technical requirements for the implementation of an energy monitoring system were gathered and an offer was requested. Discussions around the EMAS certification process were held together with the Dutch certification body. A report regarding benchmarking with other organisations, including the definition of the

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environmental performance indicators, was prepared and presented at the Greening Network meeting in September.

Several prioritised **internal processes** were reviewed in order to allow for improved efficiency. Among others: operational analysis (incl. definition of quality criteria and cross matching), IDMC high-level analysis, EMPACT process, secondary security checks, referrals and other HR and Finance related processes. Several training sessions on quality management were organised for staff across the organisation.

A new template was developed to capture total cost of ownership and utilise key concepts from the **Benefits Management** training, attended by representatives from all departments. In the Demand Management cycle all the expected benefits and contributions to the strategic objectives were captured.

Regarding the implementing MB decisions, following the amended **EU Staff regulations**, these were still on-going:

- Engagement and use of TA2f and Middle managers,
- Set up of a Staff Committee,
- Duration for the recourse to non-permanent staff,
- Teleworking.

The closure of the **Europol Pension Fund** progressed as planned. The last accounts and the closing report were audited without any comments and submitted for discharge. 91% of former staff and 14 MS have been paid. Overall, 25% of the total remained to be settled to former staff and MS.

A new procedure on Europol's participation in **EU grant funded projects** was introduced and communicated in the first quarter.

The **Business Continuity** Framework and roles at programme and incident response level were approved. The Business Continuity Policy needs to be finalised and published. The **Crisis Management** Plan was approved and a first Crisis Management exercise was conducted in October, with a very satisfactory outcome.

Negotiations with the Host state were on-going regarding the establishment of a separate **Disaster Recovery Site**, potentially jointly between Europol and Eurojust, in case of an incident affecting Europol's premises.

Progress made in **corporate ICT-related projects**, not directly linked to the core business:

- Crossbeam (firewall) replacement was completed
- Europol's intranet (IRIS) was successfully insourced, redesigned, developed and rolled-out to the whole organisation, including Vademecum, ELMO and IRIS-DMS integration. The previous EurOPS was decommissioned as planned. IAM is now integrated in IRIS.
- Workspace Transformation: important milestones were achieved regarding DMS, personal and common mailboxes migrated from OPS NET to CORP net. Data diodes were also implemented. OPS network was accredited to EU-CONFIDENTIAL, including enhanced encryption for MS connectivity and strong authentication.

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Performance Indicators related to strategic objective 3.1.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
Budget Outturn rate	0.90%	1.66% 	5.00%
Vacancy rate	0.0%	0.0% 	2.0%
Sickness rate	5.0%	1.2% 	5.0%
Turnover rate	11.3%	14.2% 	15.0%
% of pending critical/very important audit recommendations addressed	75%	83% 	90%

In terms of **budget implementation**, although further detailed in section 2.2 of this report, Europol's payment rate in 2016 was 91%. This is slightly below the target of 93% but above last year (89%) and mainly has to do with the low payment rates in titles 2 and 3 (particularly those related to ICT and facilities). The budget outturn was 1.66% which is well below the target ceiling of 5%. Additionally, the percentage of **late payments** came down to 7.2%, improving when compared to last year (13.9%)

The **vacancy rate** at the end of the year was 0.0%, which is an extraordinary result, considering the Amending Budget No.1 approved by the MB in May that granted 25 additional posts to Europol's Establishment Plan. These posts, representing a +5.2% of the initial Establishment Plan, had to be covered before the end of the year in order to keep the vacancy rate below the target of 2%.

The **sick leave** rate improved considerably and was down to 1.2% at the end of 2016, well below the target ceiling of 5%. The **turnover rate** was 14.2%: 6.6% voluntary and 7.6% involuntary (end of contract) turnover.

On the **gender balance** statistics, 35% of candidates to Europol vacancies and 34% of the selected candidates were women. When only considering management posts (senior analyst/specialist and above), 25% of the candidates and 13% of the selected candidates were women.

At the end of 2016, 97% of staff **appraisals**²⁹ had been finalised.

Regarding the implementation of pending *critical or very important* **audit recommendations**, 83% were addressed at the end of 2016. In more detail:

- No pending recommendations from **ECA, IAS** and **Ombudsman**.
- 44% of the recommendations issued by the **IAF** were pending implementation.
- 52% of the **JSB** recommendations were pending implementation and affected information processing issues (mainly linked to the EAS and SIS II).
- 4% of the **DPO** recommendations were pending implementation.

During this period, the corporate risk log was updated once and presented to the Directorate.

²⁹ The deadline to finalise the appraisal process was 1 July 2016 and, on that date, 76% of appraisals were completed, signed and submitted to HR.

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Strategic Objective 3.2. Promote the added value and achievements of EU law enforcement cooperation to stakeholders and EU citizens

To make **Europol's publications** more mobile friendly and, in particular suitable for portable devices, Europol approved an initiative to go fully digital. A publications officer was recruited to support this initiative. The needs assessment for 2017 was completed and work to streamline the products already started before the end of the year.

During 2016, Europol's **media exposure** was assessed to an all-time high in positive or neutral mentions. The Communication Crisis Plan was used for the first time with very positive results.

Relevant articles were published via the Director's Twitter and LinkedIn accounts in order to increase the **Agency's visibility**. A new blog was created for this purpose, too. To go beyond social media, market research was conducted to explore **innovative communication tools** and the focus will be on live-streaming. Europol's **new website** was successfully launched in 2016, with an updated and modern look and feel.

Finally, **Europol's User Survey** was launched in October 2016, targeting around 1,400 users. Satisfaction results were the highest in the history of the survey, with an overall customer satisfaction of 72.5 (70.6 in the previous survey). The participation rate increased by 6 points compared to the previous survey.

Performance Indicators related to strategic objective 3.2.

KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
% Satisfaction with Europol's image	75.5	77.8 	76.1

The **Europol User Survey** was conducted during October-November 2016 and the target was to achieve a satisfaction with Europol's image of, at least, 76.1. This meant improving the last User Survey results by 0.6 points; the actual improvement was 2.3 points, exceeding by far the set target, with a satisfaction score of 77.8. Europol improved the results for all the seven evaluated aspects: image, quality of products, quality of services, expectations, loyalty, customer satisfaction and value. The satisfaction with the products and services remained very high (78.6), with 90% of them receiving an average score above 75.0 points.

At the end of December 2016, Europol had 36,500 **followers on Twitter** and appeared in the **media** (written press, TV, radio broadcasting, etc.) around 130,000 times.

Part II. Management

2.1. Management Board

The Management Board is Europol's primary governance instrument and its most important stakeholder environment. It ensures strategic guidance, oversees the implementation of Europol's tasks and performs other functions as mandated by the Europol Council Decision. It comprises one representative of each Member State and one of the European Commission. As a general rule, it takes decisions by two-thirds majority, with each member having one vote.

During 2016, the Management Board met four times, while its Working Groups on Corporate matters and ICT held 5 and 3 meetings, respectively. The Management Board marked the occasion of its 100th meeting on 4-5 October by issuing a publication "*Looking Back – Moving Forward*" describing the role and evolution of Europol from the perspective of the Management Board. In 2016, the Management Board reviewed *inter alia* the following matters:

- **Corporate:** implementation of the Europol Regulation, including the review and adoption of acts and instruments required to give effect to the new legal framework and deciding on the maintenance in force of the relevant internal rules and measures adopted under the Europol Council Decision. This included work on the Integrated Data Management Concept and Guidelines and decisions on: public access to Europol documents; rules of procedure of the Management Board; rules on the selection, extension of the term of office and removal of the Executive Director.
- **Operational:** the Management Board supported the strengthening of Europol's counter-terrorism capabilities through the establishment of the European Counter-Terrorism Centre and supported the deployment of Europol Guest Officer to carry out secondary security checks.
- **Cooperation with Third Parties/Agencies:** the Management Board adopted Europol's External Strategy and reviewed relations and cooperation with Georgia, the Gulf Cooperation Council, Ukraine, United States, Western Balkans and Customs authorities.
- **Budget and planning:** Work Programme 2016; Programming Documents 2017-2019 and 2018-2020; Final Budget 2017 and Amending Budget 2016.
- **Human Resources:** order of replacement of the Director by the Deputy Directors; Appraisals of the Director and Deputy Directors; General implementing rules on unpaid leave and part-time.
- **Systems:** Accreditation to CONFIDENTIAL of Europol's Operations Network, SIENA, Unified Audit System; extension of accreditation of the Unified Search Engine and the Confidentiality Desk System.

2.2. Budgetary and Financial management

2.2.1. Revenue

The revenue of Europol was almost fully covered by the Community subsidy, amounting to € 102.27M in 2016. Out of that total, € 1.1M related to the Subsidy for the European School.

In April 2016 the European Parliament adopted the Amending Budget No.1 to the general budget for 2016. This resulted in the reinforcement of staffing levels of the European Counter-Terrorism Centre in Europol by adding € 2M and 35 posts (25 Temporary Agents, 5 Contract Agents and 5 Seconded National Experts). In November the budget was amended for the bank interest received in accordance with Article 58 of the Financial Regulation (€ 33K).

An outstanding amount (€ 34K) of internal assigned revenue from 2015 was carried over to 2016. During the year 2016, other internal assigned revenue amounting to € 1.28M was established and 96% of this was cashed. Besides various refunds from operational and ICT expenditure amounting to € 301K, an amount of € 678K results from the dissolution of the Europol Pension and the remainder of the Unemployment Fund and € 268K is for liquidated damages from a settlement agreement with the new TESTA supplier.

With reference to the external assigned revenue an amount of € 14M was established and almost fully cashed. Out of the € 14M external assigned revenue:

- € 9.56M is for the integration of the Europol Pension Fund,
- € 2.46M is for the EMPACT delegation Agreement,
- € 1.5M relates to the grant agreement for hotspots,
- € 500K relates to the fight against intellectual property right infringements.

This revenue is linked to expenditure budget items where it will be re-used for future expenditure in the new budgetary year (2017). Outstanding recovery orders amounting to € 213K are carried over to 2017 for further cashing.

All instalments of the community subsidy (including the subsidy for the European School), amounting to € 102.2M, were received.

The cash balance was just under € 14.8M at the end of the year. This excluded the Europol Pension Fund surplus amounting to € 4.6M at the end of December, which was integrated into the Europol accounts in 2016.

2.2.2. Budget Implementation and Expenditure

The commitment implementation rate at the end of December was 99.8%, which is similar to the rate at the same time last year and above the target of 95%. The payment rate was 91%, which is 2% higher than last year and above the target of 90%. The carry forward from 2016 to 2017 amounts to € 8.9M³⁰.

The next table shows the budget implementation per Budget Title at the end of the year 2016:

³⁰ this amount is excluding the carry forward of commitment appropriations related to internal assigned revenue amounting to € 218,981

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Title	Budget (a)	Commitments (b)	Payments (c)	Comm Rate (b/a)	Paym Rate (c/a)	Carry forward to 2017 (b-c)
T1 - STAFF	65,455,284	65,452,935	64,864,909	100.0%	99.1%	588,027
T2 - OTHER ADMINISTRATIVE EXPENDITURE	8,866,650	8,845,382	5,373,031	99.8%	60.6%	3,472,351
T3 - OPERATIONAL ACTIVITIES	27,952,850	27,722,888	22,807,770	99.2%	81.6%	4,915,118
Total all Titles	102,274,784	102,021,205	93,045,710	99.8%	91.0%	8,975,495

Title 1 – Staff related expenditure

The implementation rate of commitments for Title 1 was 100% and the payment rate came to 99.1%. The budget of Title 1 was amended by € 1.8M mainly for the additional staff reinforcing ECTC.

A number of transfers from other Titles (amounting to € 1.1M) were made to Chapter 11 –Staff in active employment to cover for the shortage in the budget related to the retroactive salary increase (+3.3%) and the increase of the weighting coefficient for the Netherlands from 7.8% to 8%.

The budget was fully committed and 0.9% of the budget under Title 1 is carried forward to 2017 mainly for staff expenditure (e.g. recruitments, medical and training expenses) and expenditure related to external services (e.g. catering, conference and move services).

Title 2 – Other administrative expenditure

The implementation rate for commitments for Title 2 came to 99.8% and the payment rate came to 60.6%.

A large part of the building expenditure related to the long term replacement plan and preventive maintenance will only be invoiced in 2017. Other building related expenditure is traditionally slower as it requires involvement of (sub-) contractors and Host State before invoicing. In addition, a transfer was made late in the year to place orders for furniture (for the new staff resulting from amending budget). The related invoices will only be received in 2017.

The commitment implementation rate for the administrative ICT and telecommunication costs was 100%. The commitments relate mostly to on-going running network and telecommunication expenditure (Call centre services, ABAC fees, internet website hosting, etc.) as well as software maintenance and consultancy services for the ICT administrative systems (FMIS, HR, IRIS, etc.).

For the rest of this Title, the majority of the budget was implemented for yearly statutory expenditure (Management Board, including working groups and JSB) with a high commitment implementation rate (99.2%).

During the year the budget under Title 2 was increased by € 430K. This is mainly a result of moving funds from Title 3 to Title 2 for ICT expenditure due to changes in the ICT Work-plan. Savings found within Title 2 were used for building related expenditure (e.g. higher cost for a new service contract with the Host State and expenditure related to the strategic housing roadmap).

An amount of € 3.5M is carried forward, representing 39.2% of the budget under Title 2. Out of the carried forward amount, 67.4% is for facilities related expenditure, 17.8% for administrative ICT and the remaining 14.7% is for other administrative expenditure (including statutory expenditure).

Title 3 – Operational activities

The overall commitment implementation rate under Title 3 came to 99.2% and the payment rate was 81.6%.

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The implementation of Chapter 30 – Operations was very much affected by the late receipt of the grant from the ISF Police 2015 emergency fund for secondary security checks at hotspots. All expenses incurred since March 2016 needed to be temporarily charged against the regular budget for as long as no additional funding was cashed. When at the end of November the pre-financing amount of € 1.2M was cashed, expenditure was corrected to the specific budget item for the grant and the amounts under the normal budget came available again. The released budget under Chapter 30 amounting to € 222K remained unspent.

The implementation of the operational ICT and operational telecommunication costs was 100% and the payment rate 77.1%.

The implementation in the other chapters under Title 3 (Seconded National Experts, EPCC and HENU) was very high and both rates (commitments and payments) reached 100%.

The budget for SNEs was amended for an additional € 200K for new SNEs within ECTC and it was fully consumed. In the second part of the year a number of budget transfers were executed mainly from the operational to the administrative ICT budget due to changes in the ICT work plan. Also some transfers were needed to increase the budget in areas where the expenditure for Hotspots mainly occurred.

An amount of € 4.9M is carried forward, representing 17.6% of the budget in Title 3. Out of the carried forward amount, 88% relates to the operational information and telecommunication costs. The remaining 12% relates to the other operational activities in Chapter 30.

Budget Implementation of assigned revenue and expenditure

As regards the implementation of **internal assigned revenue**, there is a distinction between the funds that were established in 2016 (C4 fund source) and the funds carried forward (C5 fund source):

C4: During the year 2016 an overall amount of € 1.25M was established and cashed. The majority of funds, amounting to € 677K were recovered from the dissolution of the Europol pension and unemployment Fund³¹. Other refunds relate to ICT and to other operational activities (refunds for meetings, missions, operational subsidies, etc.) Of the new appropriations, 18.2% were committed and 15.5% spent. Available budget (amounting to € 1.02M) is carried over (to C5) and open commitments (amounting to € 32.9K) are carried over automatically to C8 fund source.

C5: The assigned revenue appropriations carried forward from 2015 amounted to € 522K which derives from various refunds. During the year almost all funds were committed (99.9%). A total of 64.3% of all commitment appropriations were paid, amounting to € 336K. The remaining outstanding appropriations (€ 186.3K) are carried forward to 2017 for further implementation.

The **external assigned revenue** (R0) came to € 18M in 2016. This relates to four different agreements:

- € 9.56M, corresponding to the closure of the Europol Pension Fund was transferred to Europol's accounts. A total commitment of € 4.9M was taken and € 4.8M paid. The remaining open budget and open commitments amounting to € 4.7M is carried forward to 2017.

³¹ Following the Council Decision (EU) 2015/1889 of 8 October 2015, the EPF was closed and the EPF's assets and liabilities were transferred to Europol and were fully integrated in the operational and financial administration since January 1st 2016. According to Article 4 paragraph 3 (a) (ii) and to Article 4 paragraph 3 (b) amounts to be repaid to Europol as internal assigned revenue.

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- € 9M for a Delegation Agreement with the EU Commission (DG Home) to support the EU Policy Cycle from 2015 to 2017. An amount of € 3.66M was carried over from 2015. The Delegation Agreement was amended in 2016 and an additional amount of € 2M was received. Furthermore, € 0.3M previously paid out as pre-financing to member states was reimbursed to Europol and became available again. By the end of the year a total of € 5M was committed and € 3M (or 51.1%) was paid. An amount of € 2.9M is carried over to 2017.
- € 1.5M was received for the grant agreement from the ISF emergency fund for secondary security checks at hotspots. An amount of just over € 1.1M (73.6%) was paid and the remaining € 396K is carried forward to 2017.
- € 500K was carried forward from 2015 for a grant agreement with the European Union Intellectual Property (EU IPO). In December 2016 another agreement was signed for an amount of € 500K. 72.2% of the appropriations were committed and 28.3% paid. The remainder of € 717K is carried forward to 2017.

2.2.3. Carry forward from 2015

The carry forward from 2015 to 2016 came to a total of € 10.5M (€ 5.7 from 2014 to 2015) payment appropriations to cover existing commitments.

The final implementation rate of the carry forward was 84.6% at the end of the year, which is 3.2% lower than in 2015 and below the target of 95%. A total of € 1.6M was not used and is thus incorporated in the final budget outturn. Out of the € 1.6M not used:

- € 55K relates to Title 1, which is 9% of the carried forward under Title 1 (€ 629K)
- € 267K relates to Title 2, which is 6% of the carried forward under Title 2 (€4.2M)
- € 1.3M relates to Title 3, which is 23% of the carried forward under Title 3 (€5.48M)

2.2.4. Budget Transfers

Throughout the year a total number of 48 transfers were made for a total amount of almost € 4.96M (or 4.9% of the budget).

Overall the budget under Title 1 (+€ 498K) and Title 2 (+€ 430K) was increased by transfers from Title 3 (-€ 928K). In addition, amending budgets totalling to € 2.03M were added of which € 1.83M was added to Title 1 and € 0.2M to Title 3. Additional amending budgets were obtained for external assigned revenue amounting to € 2M under Title 3.

The budget 2016 was drawn up without margins and contingencies. The budget implementation was carefully monitored throughout the year and all departments were encouraged to identify opportunities to reduce costs for their planned activities by applying efficiency savings or re-prioritising in order to support the salary increase (+3.3%) and the weighting coefficient increase for the Netherlands from 7.8% to 8% that needed to be implemented at the end of the year. Also, for particular needs concerning the service level agreement for the building and the office environment, transfers were made to continue with the necessary maintenance and workspace initiatives in the area of facilities. Furthermore, a number of transfers within the ICT budget items were made in order to adjust the budget allocation to the latest developments with the ICT work-plan.

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In addition, some transfers were necessary to bear in mind differences between the planning and the implementation of the budget due to urgent situations in certain crime areas (e.g. activities related to the hotspots). Due to the late cashing of the pre-financing amount of the grant agreement several transfers were done in order to temporarily cover grant expenditure under the regular budget. These transfers were then reversed when the pre-financing was received, corrections were made and the regular budget was available again.

2.2.5. Budget Outturn 2016

The overall draft budgetary outturn for the financial year 2016 comes to € 1.868M. This includes the following:

- An amount of € 253K of the 2016 budget was not committed and lapsed. The majority of the un-used budget is within Operations (Chapter 30). This is mainly a result of the late receipt of the grant from the ISF Police 2015 emergency fund for the secondary security checks at hotspots. All expenses incurred since March 2016 needed to be temporarily charged against the regular budget for as long as no additional funding was cashed. When at the end of November the pre-financing amount of € 1.2M was cashed, expenditure was corrected to the specific budget item for the grant and the amounts under the normal budget came available again.
- An amount of € 1.6M of appropriations carried forward from 2015 to 2016 was not used.
- The exchange rate difference was € 1.4K (gain)

2.2.6. Accrual rate

The accrual rate in 2016 was 45% (compared to 43% in 2015), with € 4.2M accrual (amount of products/services already delivered in 2016 but not yet paid) and a total carry forward of € 9.2M.

The amount of the carry forward for which orders were placed in 2016 but deliveries are only foreseen in 2017 comes to approximately € 5M. This mainly concerns ICT (consultancy and acquisitions) and facilities (maintenance and other works).

Area	Carried Forward	Accrual	Accrual rate
ICT	5,461,481.01	1,906,911.31	35%
FACILITIES	2,648,666.82	1,434,967.70	54%
HR & FINANCE	620,983.96	573,098.26	92%
GOVERNANCE	163,956.58	118,848.40	72%
OPERATIONS	228,259.73	74,963.02	33%
MANAGEMENT BOARD SEC.	71,127.57	71,127.57	100%
TOTAL	9,194,475.67	4,179,916.26	45%

2.2.7. Late payments

The percentage of late payments in 2016 went notably down to 7.2%, compared to 13.9% in 2015. The % of late payments was below 5% during most of the year, with the exception of January (18%), February (8%), October (8%) and December (12%). Usually, due to the increased amount of payments and the closure of the

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financial system for end-of-year activities, the % of late payments is higher for the first and last quarters of the year.

Europol made a total of more than 9,000 payments, 21% more than in 2015. The average number of days to pay moved from 18.8 in 2015 to 16.7 in 2016. Europol raised awareness among budget holders in order to reduce the % of late payments.

In 2016, a total of 1,584 euros were paid to cover interest costs related to late payments

2.2.8. Procurement

In 2016, Europol closed and awarded **17 tender procedures**, including **8 procedures under Article 134(1) RAP** namely:

Type of procedure	#	Amount (EUR)
Open procedures	2	2,255,000.00
Restricted procedures	1	700,000.00
Competitive procedure with Negotiation	1	2,200,000.00
Low/middle value procedures (below EUR 135,000)	5	355,000.00
Negotiated procedures without publication of a contract notice (Article 134 RAP)	8	1,290,472.36
Sub-total	17	6,800,472.36
Mini competition procedures (under framework contracts with reopening of competition)	26	5,529,581.00
TOTAL	43	12,330,053.36

Pursuant to Article 53 of the Rules of Application (RAP), each authorising officer by delegation must draw up a list of negotiated procedures under Articles 134(1)(a) to (f), i.e. procedures without publication of a contract notice. Pursuant to Article 66(9) FR, the list of negotiated procedures is further detailed in this report (see table below).

Type of procedures	Subject	Amounts (EUR)
Open procedure	Fixed Telephony Services (ref. D/C1/1515)	1,265,000.00
	** Helpdesk Services (ref. D/C1/1502) (not included in 2016 tender planning - from 2015 tender planning)	990,000.00
Restricted procedure	** Fingerprints (AFIS) (ref. R/C1/1504) (not included in 2016 tender planning - from 2015 tender planning)	700,000.00
Competitive procedure with Negotiation	Medical and Health Services (ref. N/C5/1514)	2,200,000.00
Low/middle value procedures (below EUR 135,000)	Open Sources Databases (ref. D/G15/1603)	69,000.00
	Maintenance of Xerox (ref. B/C1/16/04)	130,000.00
	Awareness Video Child Exploitation (ref. A/03/1608)	22,000.00
	Media campaign (ref. B/C52/1607)	134,000.00
	Comparative Microscope (ref. 1613/O/B)	€ 74.915.20
Negotiated procedures without publication of a contract notice (Article 134 RAP)	External Legal and Representation Services (G/N/1614)	16,500.00
	EC3 Training Courses and Facilities (ref. N/O3/1601)	71,300.00
	2016 EPCC external diner (no ref.)	82,000.00
	Training Course for Security Officers at Dutch Police Academy (no ref.)	42,304.36
	Provision of additional consultancy services by KU Leuven re. FUI.Net application	42,000.00
	Maintenance of the armoured vehicle of the Director (no ref.)	16,368.00
	Purchase of Specific Internet Services (ref. E/2016/EC3/BIT)	80,000.00
	IVAS (Investigation of video and audio system) – negotiated procedure launched following the failure of a restricted procedure	940,000.00
Mini competition procedures (under framework contracts with reopening of competition)	IT consultancy services (D/C1/1430)	5,529,581.00 (aggregated value for 26 mini competition procedures)
	Helpdesk Services (D/C1/1502)	
	External legal advice (D/G52/1309)	

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No formal challenge or proceeding was brought before a Court against Europol in 2016.

2.3. Human Resources management

In light of the increased migratory pressure, the 2015 budget was amended with the aim to reinforce Europol's role in the disruption of trafficking and smuggling networks related to the migration crisis. A total of 33 additional Temporary Agent posts were added to the establishment plan and the vast majority of the related recruitment procedures were finished before the end of the year with most of the new posts being filled in the first quarter of 2016 for the setting up of the new European Migrant Smuggling Centre (EMSC).

Europol was tasked, following the Justice and Home Affairs (JHA) Council conclusions on counter-terrorism on 20 November 2015, to launch the European Counter-Terrorism Centre (ECTC) at the beginning 2016. This centre should become the central hub in the fight against terrorism in the EU, contributing to a coordinated reaction in the event of a major terrorist attack and will support the EU Member States by providing operational and analytical capacity for investigations and cooperation with international partners. An injection of additional counter-terrorism resources was added in May 2016 via a budget amendment.

2.3.1. Staff figures and Establishment Plan

The initial Establishment Plan for 2016 had a total number of 480 TA posts. Compared to the Establishment Plan for 2015 (483 TA posts), this is the combined result of a reduction of 9 TAs following the Commission's instructions (1% reduction per year and 1% to create a pool for redeployment) and the addition of 5 TAs for EC3 as per the MFF and 1 TA for reinforcement of staff in line with the adopted 2016 budget.

Following the adoption of the European Commission Amending Budget No 1 to the General Budget 2016 and in accordance with Article 34 of the Europol Financial Regulation, the Management Board adopted in May 2016 an Amending Budget for the European Counter Terrorism Centre adding 25 Temporary Agents to the original Establishment Plan and also adding 5 Contract Agents and 5 Seconded National Experts.

On 31 December 2016, the total number of **staff employed by Europol** was 655: 505 staff in Establishment Plan posts, 146 Contract Agents and 4 Local staff. The number of **non-Europol staff** (Seconded Experts, Liaison Officers and staff of Liaison Bureaus, Trainees and Contractors) was 452.

During 2016, **145 new staff** started work at Europol: 104 Temporary agents and 41 Contract Agents. Over the same period, **86 staff left** the organisation: 64 Temporary Agents and 22 Contract Agents

2.3.2. Vacancy rate

The **vacancy rate** at the end of 2016 was 0.0%: 463 staff in post and 42 offer letters sent for a total of 505 establishment plan posts. The target for this indicator is set to a maximum of 2.0% at the end of the year and was achieved, even in a challenging year with the addition of 25 temporary agent (TA) to the initial Establishment Plan and a turnover rate of around 15%.

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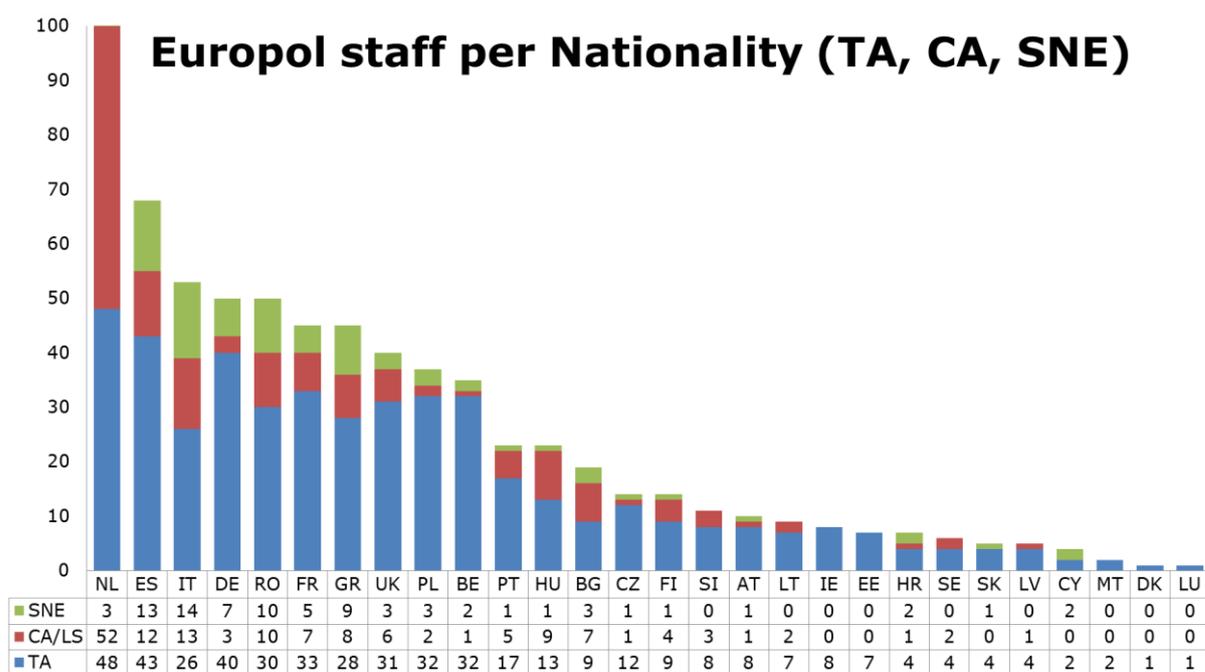
2.3.3. Gender balance

At the end of December 2016 female staff made up 32.4% of all staff working for Europol and occupied 28.1% of established (TA) posts filled. Females represented 14% of staff in Senior Specialist / Senior Analyst positions (i.e. 19 of 136 staff in these posts). The percentage of female staff members in Business Manager and equivalent or higher positions was 6.1% (two staff members).

The aspect of equal opportunities for women and men is emphasized by Europol in all the vacancy notices. This is also highlighted in the Europol Recruitment Guidelines, published on Europol's website. Women, in particular in the law enforcement sector, are encouraged to apply for posts at Europol.

2.3.4. Member States representation

The countries with the largest representation among Europol staff are the Netherlands, Spain, Italy, Germany, Romania, France, Greece, the United Kingdom, Poland and Belgium.

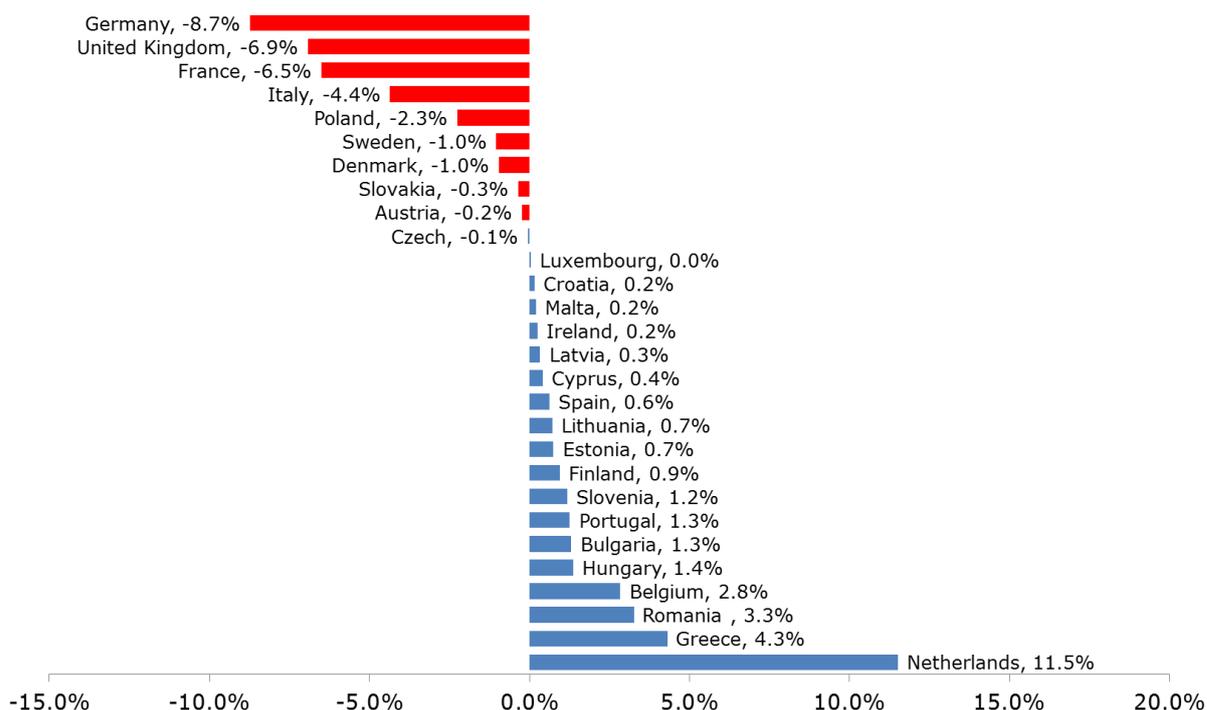


The Netherlands, Greece, Romania and Belgium are overrepresented³² vis-à-vis their national population in the EU; on the other end, Germany, the United Kingdom, France, Italy, and Poland are still underrepresented³³.

³² The gap between the population share in Europol and the EU is $\geq 2\%$

³³ The gap is $\leq -2\%$

Europol vs EU Population share per country



2.3.4. Reclassification

The 2016 Europol reclassification exercise for temporary agents/administrators, for temporary agents/assistants and for contract agents was launched through Administrative Notice published on 5th July 2016 (following closure of the annual assessment 2016). The legal basis for the reclassification exercise is the Decision of the Management Board of 15 September 2014 on the entry into force at Europol of the general provisions adopted by the Commission for implementing Article 45 of the Staff Regulations.

The budgetary limit for the reclassification exercise 2016 was set at a maximum of 15% of eligible staff, taking into account reclassification targets per grade (on average over 5 years) defined in Annex IB of the EUSR, the Staff Establishment Plan and the financial resources available. The exercise was completed by the end of year and the total number of staff reclassified was 40 (26 AD, 2 AST and 12 CA) which is 8% of the staff³⁴ population.

³⁴ Posts filled

2.4. Internal Audit management

2.4.1. Internal Audit Capability (IAC)

The duties and responsibilities of the Internal Audit Capability (IAC), according to the Financial Regulation (FR) applicable to Europol, are performed by the Internal Audit Function (IAF) of Europol, established under the Europol Council Decision.

Recruitment of staff for the **IAF** was completed in 2016 and it now has 3 staff members, as agreed by the MB. In line with the **IAF Work Programme for 2016**, the IAF performed the following engagements:

- Review and assessment of the **implementation of the Internal Control Standards (ICS)** at Europol: the objective was to assess the implementation status of the 16 ICS in Europol against the European Commission's framework as well as to provide an overview of the design of the internal control approach at Europol. In particular, it was aimed at assessing potential gaps concerning the principles deriving from the 16 ICS in terms of the following clusters: Mission and Values, Human Resources, Planning and Risk Management Processes, Operations and Control Activities, Information and Financial Reporting, Evaluation and Audit. A total of forty (40) recommendations were issued, classified as follows: 1 critical, 21 very important, 15 important and 3 desirable. The critical recommendation related to the adoption of an anti-fraud strategy, which was endorsed by the MB on 31 January 2017.
- Review and assessment of the **operational support provided by the European Cyber Crime Centre (EC3)**: the purpose of the engagement was to assess whether, three years after its inception, the EC3 has fulfilled the Commission's envisaged core functions and adequate controls are implemented to enable that fulfilment, namely to: serve as the European cybercrime information focal point; pool European cyber-crime expertise to support Member States (MS) in capacity building; provide support to MS' cybercrime investigations, and become the collective voice of European cyber-crime investigators across law enforcement (LE) and the judiciary. The audit confirmed the overall achievement of EC3's core functions and resulted in eighteen (18) recommendations (5 very important, 8 important and 5 desirable) including, inter alia, aligning terminology, reporting and performance methodologies with the rest of the organisation.
- Audit on **Europol Sports and Social Association (ESSA) accounts for the years 2012 to 2015**: the objective of this engagement was to review the regularity and legality of the transactions performed by ESSA and to determine whether adequate internal controls were in place to ensure that accounting data and related information used for preparing the Association's annual accounts and the financial reports were accurate, complete and timely. The IAF examined ESSA's accounts for the years 2012 to 2015 and observed a number of good practices already in place but also some risk areas where controls could be improved, relating to the updating of ESSA's legal foundation and the recording of financial transactions. Twelve (12) recommendations were issued (4 very important and 8 important).
- Validation of **user access rights granted in ABAC**: in accordance with the internal rules on the implementation of the general budget of the EU, the

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European Commission requested the Director to validate that the user access rights granted in the ABAC (Accrual Based Accounting) system are in line with the delegations entrusted to the staff under his responsibility. The objectives of this audit were to assess whether the processes of managing ABAC users is performed at Europol in compliance with the applicable regulatory framework, and to verify whether the existing controls assure that access to ABAC is managed at Europol in an efficient and effective way. The IAF observed that the access rights granted in ABAC were adequately controlled and that there were no significant internal control weaknesses. A total of fifteen (15) recommendations were issued (4 very important, 8 important and 3 desirable) with the aim to improve ABAC user management. No critical combinations of transactions leading to a potential violation of the segregation of duty principle were found.

- **ISO 17020:2012 audit of the Europol Forensic Laboratory:** the IAF performs an audit of the Europol Forensics Laboratory on an annual basis, in accordance with the requirements of the International Standard (ISO) 17020:2012 (Conformity assessment – Requirements for the operation of various types of bodies performing inspection). The objective of the audit is to determine whether the activities in the Laboratory are in conformity with 17020:2012, and if the Laboratory's Quality Management System (QMS) is adequately maintained. In 2016, the audit did not observe non-conformities, however, two groups of observations qualifying as opportunities for improvement regarding two processes of the Laboratory were identified and relevant recommendations issued.

The audit engagements on the **strategic analysis products of Europol** and on the **EU Internet Referral Unit**, which were initiated in the last quarter of 2016, will be completed in the first quarter of 2017.

2.4.2. Data Protection Office (DPO)

The DPO continued working on the three-year review of Europol's Focal Points. In 2016, the DPO supported the Operations Department in conducting this review for 12 analysis projects reaching their respective due dates in AWF SOC: FP Cannabis, FP Checkpoint, FP ITOC, FP Monitor, FP EEOC, FP Sustrans, FP Twins, FP Terminal, FP Copper, FP Synergy, FP Soya and FP Smoke; and 4 analysis projects reaching the review due date in AWF CT: FP Maritime Piracy (closed on 1 February 2016), FP TFTP, FP Check the Web and FP Dolphin. In total **16 analysis projects were reviewed**.

In January 2016, the DPO completed an audit of the data retention approach pursued by FP Terminal. In February 2016, the DPO issued an audit report on the use of information by Web Intelligence Providers. Next to these **formal audits**, the DPO continued to **conduct regular assurance activities** including checks to assess access rights to analysis work files (AWFs), the processing of personal data in FP Sustrans, the exchange of information with third parties, the processing of personal data relating to minors, and specific checks on processing operations carried out by guest officers in the hot spots. An audit in the Closed Circuit Television (CCTV) system was initiated by the DPO and is still on-going.

Furthermore, in the field of administrative data, four notifications were processed: on CCTV, on the migration of the G drive, on procurement and on data migration related to Operation Fraternité. In addition, there were three modifications of

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existing notifications. Two of them, (a) "Procurement procedure" and (b) "Reclassification process", were subject to prior checks by the JSB. The notification on "Internship Administration" did not require such prior checking.

In addition, the DPO regularly takes care of data subject access requests (Art. 30 requests). During 2016, Europol received a total of 256 requests which represents an increase of almost 30% compared to 2015. Three full hits and four partial hits occurred in Europol systems as a result of checks carried out under Article 30. There were no requests for correction and/or deletion of data in accordance with Article 31 ECD in 2016.

A task force for the implementation of the new Europol Regulation was set up in 2016. The DPO is a member of this task force and has provided advice on sensitive key topics for the future development of systems and data processing such as the EU IRU or the ETS project.

The DPO has also provided advice and participated in the developments regarding the **Unified Audit Solution** (UAS) which currently gathers the audit logs generated by the EIS, the Index Function (IXF), USE (and consequently SIS II batch searches), the new EAS and SIENA.

Europol's Data Protection Experts Network (EDEN), launched in January 2015, is regularly maintained and updated by the DPO. This platform was created to facilitate the communication between law enforcement data protection experts. The number of active users has continuously grown since its inception and has meanwhile reached more than 270. EDEN was used to support the organisation of the Conference "Privacy in the Digital age of encryption and anonymity online", jointly organised with the European Institute for Public Administration (EIPA) and EC3. During this conference, that took place on 19 and 20 May 2016, a Joint Statement with the EU Agency for Network and Information Security (ENISA) was released.

On 21 April 2016 a delegation of the **European Data Protection Supervisor** (EDPS) visited Europol for the first time. The aim of this visit, hosted and organised by the DPO, was to have a first exchange of views and pave the way for future cooperation. After this initial exchange, there have been another six visits, either at Europol or EDPS premises. The points of discussion included the implementation of the Europol Regulation with particular focus on data subject access rights and third party cooperation. The discussion on the implementation of the Integrated Data Management Concept (IDMC) had to stay at an abstract level as discussions with Member States had not yet lead to a consolidated view which could have been shared with the EDPS.

2.5. External Audit management

2.5.1. Internal Audit Service (IAS)

On the basis of the risk assessment concerning Europol's process landscape performed by the IAS in November 2013, the Europol MB endorsed the **IAS Strategic Audit Plan 2014 – 2016** in May 2014. The following audit topics were identified in the strategic audit planning, in the following order:

- Recruitment
- Stakeholder management
- Procurement
- Data management and information security

Following the audits on recruitment (Q3 2014) and stakeholder management (Q1 2015), the IAS performed an **audit on procurement** in October 2016. The draft audit report for that audit had not yet been issued by the IAS at the end of 2016.

The IAS will carry out a new risk assessment in relation to Europol's overall process landscape (management, core business, support and improvement processes) in May 2017. The risk assessment will result in a new strategic audit planning 2017 – 2019 for the IAS which will be subsequently presented to the Europol Management Board (MB).

2.5.2. European Court of Auditors (ECA)

In 2016, five audit assignments concerning financial transactions, procurement activities and the internal control framework related to the respective areas of assurance were carried out at Europol. The audit activities were performed by the ECA and external audit contractors³⁵ in relation to **the 2015 annual accounts of Europol**, the **Europol Pension Fund (EPF)** and the **implementation of the Delegation Agreement (DA)** for financial support to Operational Action Plans (OAPs) established under the EU Policy Cycle.

While the audit on the annual accounts represents a recurrent activity, the audit on the EPF marked an important milestone, given that in 2015 the dissolution of the EPF had been agreed by the legislator³⁶. This included the redistribution of the general reserve to each contributor (Member States and employees) pro rata to their contributions, and the subsequent integration of the remaining assets and liabilities into the annual accounts of Europol.

Concerning the implementation of the DA, Europol gave account on the first year of awarding grants to EU Member States as beneficiaries.

At the beginning of June 2016, the external audit opinion on the DA was received by Europol, confirming that the financial statements in relation to the DA gave a true and fair view, and that the underlying transactions were considered legal and regular. Europol provided the positive audit opinion to the European Commission and the ECA, as the discharge accountability for the implementation of the funds under the DA remains with the European Commission.

In September 2016, the ECA released the reports on the annual accounts for the financial year 2015, as well as the Europol Pension Fund (EPF) 2015 accounts and

³⁵ as described in Article 107 of the Financial Regulation (FR) applicable to Europol

³⁶ Council Decision (EU) 2015/1889 of 8 October 2015 on the dissolution of the Europol pension fund, Official Journal of the European Union (OJEU), L 267/60 – L 267/64, published on 21 October 2015

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EPF closing report. The reports released by ECA also contained positive opinions in relation to the reliability, concerning the material aspects, of the annual and EPF accounts as well as the EPF closing report. The underlying transactions were considered as legal and regular.

The current discharge proceedings in relation to the financial year 2015 are underway (see section 2.7).

In relation to the closure of the financial year 2016, the ECA conducted the regular financial audit at Europol from 30 January to 3 February 2017.

2.5.3. Joint Supervisory Body (JSB)

The JSB carried out the regular **annual inspection in March 2016**. In addition, there was another extraordinary inspection in November on Europol's **data collecting activities on the Internet**. Europol is still awaiting receipt of the final report relating to this latter inspection.

The JSB Annual Inspection Report 2016 included a total of 82 recommendations in different stages of fulfilment and criticality, resulting from this and previous inspections.

The JSB also visited Europol twice in order to participate in the New Projects Group, a subcommittee created for consultation with Europol (following Article 19 of the Analysis Rules).

2.6. Follow up of recommendations and action plans for audits

In 2016, Europol responded diligently to the audit findings of the different assurance providers. **No critical or very important audit findings were pending in relation to the ECA or the IAS**. Further follow-on actions, concerning the IAF, JSB and DPO recommendations, are on-going.

There are two comments from previous audits performed by the **ECA**, not affecting the assurance statement on the 2015 annual accounts, still outstanding:

- The call for a reduction of administrative expenditure carried forward to the subsequent financial year
- The recommendation to reduce the financial value of authorised ex-ante exceptions of payment appropriations across the entire financial year.

When the ECA first made the comment on **authorised exceptions**, these amounted to 7%. In 2015, the value represented 2.2%. A further decrease **below the overall materiality threshold of 2% was noted by the end of 2016**.

Concerning the reduction of administrative expenditure carried forward, it is still a recurrent matter. By the end of 2016, € 3.47M in Title 2 (administrative expenditure) were carried forward to 2017. The main reason for the administrative carry-forward is related to building expenditure. The long term replacement plan, preventive maintenance and other building related expenditure can only be invoiced in 2017.

From an **IAS** perspective, there are 4 pending recommendations, graded as *important*, all of which stem from the audit on stakeholder management. Europol considers two of these recommendations (stakeholder management approach across the organisation and monitoring of relations with Member States) as implemented.

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The IAF issued 85 new recommendations only in 2016³⁷. Moreover, the IAF presented a review assessing of the status of recommendations from the period 2010-2014, resulting in 28 additional recommendations regarded by the IAF as not fully implemented. Therefore, the IAF issued a total of 113 recommendations in 2016 for Europol to follow-up. Europol carried out a **categorisation exercise** of said recommendations in order to prioritise them. The outcome of the categorisation exercise, carried out in consultation with the IAF, was presented to the Europol MB in December 2016, with the following results:

Overall, **good progress was noted in relation to the follow-up of IAF audit recommendations**. The overall implementation³⁸ rates for the recommendations³⁹ of the IAF audit reports were:

- 77% for the review of the implementation of recommendations issued by the IAF in the period 2010-2014
- 59% concerning the review and assessment of the implementation of ICS at Europol
- 87% for the audit report on the validation of user access rights granted in ABAC
- 70% in relation to the audit report on Europol Sports and Social Association (ESSA) regarding its accounts for the years 2012 to 2015

Europol will continue to address the recommendations of the IAF as part of the regular business planning of the organisation.

Regarding audit recommendations issued by the **DPO** in 2016 and previous years, 55 recommendations were graded as *critical*. Out of these 55 recommendations, 32 recommendations were fulfilled, mainly relating to improvements made in the Unified Audit Solution (UAS). Only **two recommendations were still pending implementation**. The status for two recommendations in the area of Human Resources was being assessed. The remaining (19) recommendations were being addressed and, hence, were considered as on-going (mainly related to the new Europol Analysis System).

Finally, 44 recommendations issued by the **JSB** in 2016 and previous years were graded as *critical*. Out of these 44 critical recommendations, 20 were issued in the 2016 inspection report. Out of these 20, five were being addressed while **15 recommendations were still pending implementation**. Regarding the critical recommendations issued prior to 2016, eight were still pending. All other critical recommendations were addressed. Most of the pending critical recommendations relate to information processing issues. The vast majority are linked to the development of the EAS, while three others relate to SIS II. For non-operational matters, one critical recommendation refers to the recording of incoming calls.

2.7. Follow up of observations from the discharge authority

In May 2016, Europol was formally notified that **the European Parliament (EP)** had **granted discharge** to the Director of Europol with respect to the **implementation of the budget for the financial year 2014**.

In October 2016, a report concerning the actions in relation to the observations of the EP accompanying the discharge decision was provided to the MB. In November

³⁷ As described in section 2.4.1.

³⁸ Notwithstanding formal assessment by the IAF concerning implementation by Europol

³⁹ The recommendations issued by the IAF as a result of the review and assessment of the operational support provided by the European Cyber Crime Centre (EC3) were not included in the exercise, as the audit report was circulated in December 2016, after the completion of the categorisation exercise

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2016, Europol provided an update to the European Parliament (EP) concerning the follow-on actions taken by Europol in relation to the EP's discharge decision for the financial year 2014.

In January 2017, Europol responded to a questionnaire from the Standing Committee on Budgetary Control (CONT) of the EP addressed to all EU agencies. In this questionnaire, Europol detailed the response to the observations of the ECA on the discharge for the financial year 2014 and provided further information on horizontal governance, as well as other Europol specific topics.

On 24 January 2017, the first hearing of the CONT Committee of the EP for the **2015 discharge** proceedings was held. The discharge **decision by the EP is expected to be taken in April 2017**.

Part III. Assessment of the effectiveness of the internal control systems

3.1. Critical risks in the Work Programme 2016

A list of critical (severe impact and high probability) threats (negative effect) and opportunities (positive effect) was provided in Annex B of the WP 2016. Among this list of threats and opportunities, some have materialised:

- Europol has been approached by various stakeholders (mainly political) to **implement ad hoc requests** (new tasks: ECTC, EMSC, on-the-spot deployments by Europol for secondary security checks in Greece and Italy).
- Reduced **availability of resources at Europol** (in view of new tasks) has negatively affected the capability to effectively and efficiently process and analyse contributions from MS and TP – while additional resources were granted for the establishment of the ECTC, based on a proposal by the Commission to the budgetary authority in Q1 2016.
- Tight human resources levels especially in **ICT** have resulted in the **re-prioritisation of relevant core systems** developments and other projects (with a delay of the deployment of the EAS to 2016 – initially planned for 2015), causing Europol to further explore the **outsourcing** possibilities (outsourced ICT consultancy services remain at a steady high level) with the increased risks that this implies.

3.2. Risk Management

In 2016, risk management activities at Europol have focused on addressing audit requirements identified by the ECA. These concern the annual accounts, the Delegation Agreement (DA) and the closure of the Europol Pension Fund (EPF).

Mitigation activities also concerned the risks affecting the core business objectives set for the Work Programme 2016, in particular in relation to the new task of on-the-spot deployments for secondary security checks and the in-sourcing of the final deployment of the EAS, combined with an orderly settlement of the contractual relationship with the external provider.

A total of **16 high or critical risks were included in the corporate risk log**. This represents four additional corporate risks compared to the status recorded at the end of 2015.

In 2016, Europol's corporate risk profile was characterised by:

- Key change projects and their governance, as well as assimilability of change: New tasks assigned to Europol have an impact organisation-wide and affect especially the ICT work plan but also the availability of staff in the Operations Department. Also, the in-sourcing of the EAS has had an effect on the ICT plan.
- Integrated Data Management Concept (IDMC): The risk of a timely integration of the deriving ICT business planning implications for 2017 and onwards.
- Budget and human resources challenges: While there is a general expectation of high-level budget implementation, considering the additional staff granted for the establishment of the ECTC, the workforce to support the core business in

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infrastructure areas is under continuous pressure, next to a re-prioritisation of a significant part of the budget to accommodate on-the-spot deployments.

- Insufficient response to discharge and internal audit assurance providers as well as compliance requirements which were mitigated by a categorisation exercise to determine priorities, in consultation with the Europol MB.
- The risk of an overall impact on Europol's reputation: Reduction of Europol's support responsiveness due to an enlarged mandate and increased volume of information for cross-checking and analysis (e.g. inflow of data into the ECTC and FP Travellers in particular), next to a data compromise case concerning historical core business data.

By the end of 2016, the additional actions recorded in the risk log were all on-going.

In 2016, a first data compromise case was identified since Europol was established in 1999. Risk mitigation activities and a thorough security investigation determined that this data compromise case was attributable to human error and individual misconduct. Europol's ICT systems or the operational environment were not intruded. Europol's operational environment is completely segregated from the administrative network. In 2016, Europol's ICT network architecture was updated, with a view to strengthening the protection of Europol's core business data and related systems. As a result, the network hosting the core business data and systems was accredited to EU-CONFIDENTIAL. An additional authorisation step for all data transfers outside the operational environment was introduced in January 2017.

Europol also briefed the European Parliament (EP) about this data compromise case. Under the new Europol Regulation, working arrangements for sharing sensitive non-classified and also classified information with the EP are foreseen, establishing a legal basis to provide relevant information to the EP in a pro-active manner, in order to respond to the political oversight role of the EP. In addition, the new Europol Regulation provides for enhanced governance, including the mandatory reporting of any personal data compromise case to the EDPS.

3.3. Compliance and effectiveness of Internal Control Standards

The Internal Control Standards (ICS) were adopted by the Europol Management Board (MB) in 2011. The implementation of the ICS focuses on continuously refining processes and identifying key internal controls which need further development/review in order to ensure proper process implementation and reduction of the risks related to process performance. The Internal Audit Function (IAF) is a key stakeholder in this endeavour, next to quality and process management.

Four years after the IAS follow-up review and in order to re-assess the status of the implementation of the 16 ICS at Europol, **the IAF carried out a review of the implementation of the ICS at Europol in the first semester of 2016** (as described in section 2.4.1). The recommendations identified by the IAF on the implementation of the ICS constitute an important instrument to uphold Europol's high governance standards. None of the recommendations issued by the IAF are seen as an impairment to the assurance statement concerning the legality,

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regularity and reliability of the financial transactions underlying the annual accounts for the financial year 2016.

Europol prepared an action plan to address 15 out of the 40 recommendations by the end of 2016. Out of these recommendations, 20 were graded as *very important* and only one was considered *critical*. The critical recommendation is related to the **adoption of an anti-fraud strategy**, which was endorsed by the MB on 31 January 2017.

The issued recommendations concern ICS 1 (Mission), ICS 2 (Ethical and organisational values), ICS 5 (Objectives and performance indicators), ICS 6 (Risk management process) and ICS 10 (Business continuity).

Europol will provide the MB with regular updates on the progress made for the implementation of these recommendations.

Part IV. Management assurance

4.1. Review of the elements supporting assurance

Europol's building **blocks of assurance** are founded on 6 key elements:

1. A **strong financial model**, with: (a) up-to-date appointment authorisations of financial actors, (b) a charter for authorising officers which promotes transparency and informed decision-making, (c) a central financial verification function for ex-ante and ex-post checks outside the organisational set-up of decentralised budget holders and (d) clear guidance to all staff on the expected behaviour (Code of Conduct).
2. A robust **planning and performance measurement capability** at corporate level, covering all aspects of Europol's delivery, including core business performance and the related stakeholder management, with regular reporting and management supervision at Directorate level.
3. A **central contact point** for ensuring that the guidance by **external assurance providers** (in particular the ECA and the IAS) and the discharge authority are communicated and followed up within the organisation.
4. A **Data Protection Officer** (DPO) who upholds the highest standards of data protection, in particular in view of Europol's role as a law enforcement agency, alongside the **Europol Security Committee** in terms of information security assurance.
5. An experienced **Accounting Officer**, supported by a team of 2 staff members, who is functionally independent to perform the respective duties foreseen by the Financial Regulation (FR) applicable to Europol.
6. An **Internal Audit Function** (IAF) which provides an additional element of assurance to the Authorising Officer (AO) of Europol over the entire year.

Europol's overall assessment is that **Europol's building blocks of assurance provide sufficient input for the Director's statement of assurance** as contained in this consolidated activity report.

4.2. Reservations

No issues requiring a reservation were identified by the end of the financial year 2016.

Part V. Declaration of Assurance

I, the undersigned, Director of Europol,

In my capacity as Authorising Officer for the organisation, declare that:

- The information contained in this report provides a true and fair view (reliable, complete and correct view) of the state of affairs at Europol.

- I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principle of sound financial management, and that the controls put in place are dedicated to guarantee the legality and regularity of the underlying financial transactions.

This reasonable assurance is based on my own judgement and the information from the building blocks of assurance at my disposal, in particular the work of the Europol Internal Audit Function (IAF) and the Accounting Officer of Europol, the observations of the Internal Audit Service (IAS) of the European Commission and reporting from the European Court of Auditors (ECA) in charge of issuing the statement of assurance on the annual accounts of Europol. The assurance is also based on the observations made during the year by the Management Board and the JSB, acting in their capacity as statutory organs of Europol.

Herewith I confirm that I am not aware of any circumstance not reported in this report which could impede the accountability of Europol towards the budgetary authority.



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Annex I. Key Performance Indicators

Annex I-a. Corporate Key Performance Indicators

GOAL	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
Goal 1: Europol will be the EU criminal information hub, providing information sharing capabilities to law enforcement authorities in the MS	1.1. Develop the necessary ICT capabilities to maximise the exchange and availability of criminal information	Operational Stability - Uptime of Core Systems	99.8%	99.8%	98.0%
		Core business project delivery	73.0%	90.0%	75.0%
		SIENA messages exchanged	732,070	869,858	841,634
		SIENA cases initiated	39,868	46,437	47,660
		EIS objects	295,374	395,357	324,611
		EIS searches	633,639	1,436,838	756,790
		% of all SIENA messages received by Europol containing structured data	7%	8%	8%
	1.2. Provide effective and immediate first-line information exchange	Speed of first-line response to MS requests (days)	40.0	27.5	20.0
		Accepted contributions to be processed	58,353	69,695	68,170
		Operational Information Backlog	7,200	10,096	5,000
	1.3. Strategically enhance partnerships with cooperation partners	SIENA messages exchanged by third parties (TP)	75,902	95,043	90,977
		Operations supported by Europol involving cooperation partners	276	385	320

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GOAL	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016	
Goal 2: Europol will provide the most effective operational support and expertise to MS investigations by developing and employing a comprehensive portfolio of services	2.1. Support MS investigations in the area of SOC	Satisfaction with operational support and analysis in the area of SOC	9.1	8.8	✔	8.5
		Operations supported related to SOC	564	664	✔	568
		Operational reports delivered related to SOC	1,251	1,388	!	1,549
		SIENA messages exchanged related to migration	-	18,711	✔	15,447
		On-the-spot support deployed related to EMSC (in days)	Not established	3,217	✔	1,595
	2.2. Support MS investigations in the area of cybercrime	Satisfaction with operational support and analysis in the area of cybercrime	9.0	8.5	✔	8.5
		Operations supported related to cybercrime	131	175	✔	131
		Operational reports produced related to cybercrime	750	2,220	✔	984
	2.3. Enhance cooperation in the area of counter-terrorism	Number of accepted contributions to the AWF related to CT	2,726	5,593	✔	3,646
		Number of EIS objects related to terrorism	6,115	15,525	✔	7,644
		Operations supported related to CT	45	127	✔	49
		Operational reports produced related to CT	177	268	✔	153
		SIENA messages exchanged by CT units	457	12,208	✔	9,180
		% of decisions for referral by the EU IRU	78.0%	95.7%	✔	78.0%
		% of successful referrals by EU IRU	88.0%	90.2%	✔	88.0%
	2.4. Develop and manage high quality analytical support and an evolving portfolio of cross-cutting operational capabilities	% of operational actions in the OAPs	29%	50%	✔	50%
		Operations supported with Financial Intelligence products/services	35	45	✔	42

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GOAL	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	END 2015	2016	TARGET 2016
Goal 3: Europol will be an efficient organisation with effective governance arrangements and a positive reputation	3.1. Ensure effective, efficient and accountable management of Europol's resources	Budget Outturn rate	0.90%	1.66%	5.00%
		Vacancy rate	0.0%	0.0%	2.0%
		Sickness rate	5.0%	1.2%	5.0%
		Turnover rate	11.3%	14.2%	15.0%
		% of pending critical/very important audit recommendations addressed	75%	83%	90%
	3.2. Promote the added value and achievements of EU law enforcement cooperation to stakeholders and EU citizens	% Satisfaction with Europol's image	75.5	77.8	76.1

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Annex I-b. Key Performance Indicators for the Director⁴⁰

Category	Type	Key Performance Indicator	2015	Target 2016	2016	
Operational Activities	Level of achievement of the Agency's objectives	% of Work Programme objectives showing good progress	80%	75%	76%	✓
	Customers' satisfaction with the Agency's products and services	Average score of user satisfaction with operational support (incl. operational analysis reports)	9.0	8.5	8.8	✓
		Average score of overall user satisfaction with Europol (User survey)	70.6	70.6	72.5	✓
Management of Financial and Human Resources	Swift, timely, effective and full use of the financial resources allocated by the budgetary authorities	Implementation rate (%) of commitment appropriations	99.8%	95.0%	99.8%	✓
		Rate (%) of cancellation of payment appropriations	12.2%	5.0%	1.7%	✓
		Budget outturn rate (%)	0.9%	5.0%	1.7%	✓
		Rate (%) of late payments	13.9%	5.0%	7.2%	!
		Breakdown of financial resources according to objectives (%)	Yes	Yes	Yes	✓
	Timely improvements in the adequacy and effectiveness of internal control systems	Implementation rate (%) of critical/very important audit recommendations	75%	90%	83%	!
	Swift and timely fulfilment of the Agency's establishment plan, effective use of human resources	Average vacancy rate (%)	0.0%	2.0%	0.0%	✓
		Breakdown of human resources according to objectives (%)	Yes	Yes	Yes	✓
		Up-to-date job description for each staff member	No	Yes	Yes	✓
	Evidence of the level of staff well-being	Organisation of a biennial staff survey	Planned for Q3 2016	Planned for Q3 2016	Postponed to Q3 2017	!
		Overall engagement index	52%	52%	52%	✓
	Gender balance	Rate (%) of female candidates to Europol vacancies	33%	35%	42%	✓
		Rate (%) of selected female candidates to Europol vacancies	28%	30%	41%	✓
		Rate (%) of female candidates for senior specialists/analysts posts, middle management and senior management (Business Manager posts and above)	19%	20%	26%	✓
		Rate (%) of selected female candidates for senior specialists/analysts posts, middle management and senior management (Business Manager posts and above)	18%	20%	19%	!

⁴⁰ Following the written procedure MBS.079.2015 establishing that the Key Performance Indicators for the Director shall be reported in the Consolidated Annual Activity Report Consolidated Annual Activity Report 2016

Annex II. Establishment Plan and Human Resources management

Annex II-a. Establishment Plan

Category and grade	Establishment plan in EU Budget 2016	Modifications in year 2016 in application of flexibility rule ⁴¹	Filled as of 31/12/2016
AD 16	0	0	0
AD 15	1	1	1
AD 14	1	1	1
AD 13	3	3	2
AD 12	9	9	7
AD 11	15	15	10
AD 10	25	23	9
AD 9	52	52	45
AD 8	106	94	77
AD 7	109	113	113
AD 6	127	147	198
AD 5	17	14	13
Total AD	465	472	476
AST 11	0	0	0
AST 10	0	0	0
AST 9	0	0	0
AST 8	1	1	0
AST 7	4	4	3
AST 6	8	6	4
AST 5	8	8	7
AST 4	14	9	10
AST 3	3	3	2
AST 2	2	2	3
AST 1	0	0	0
Total AST	40	33	29
AST/SC6	0	0	0
AST/SC5	0	0	0
AST/SC4	0	0	0
AST/SC3	0	0	0
AST/SC2	0	0	0
AST/SC1	0	0	0
Total AST/SC	0	0	0
TOTAL	505	505	505

⁴¹ In line with Article 38(1) of the framework Financial Regulation, the management board may modify, under certain conditions, the establishment plan by in principle up to 10% TA only of posts authorised, unless the financial rules of the body concerned allows for a different % rate. This includes 25 posts from Amending Budget 2016.

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Annex II-b. Information on the entry level for each type of post⁴²

Key functions	Type of contract	Function group, grade of recruitment*	Indication whether the function is dedicated to administration support, policy (operational) or neutral
<i>Manager (Director & Deputy Director)- Level 1</i>	TA	AD13 - AD14	Operational
<i>Manager Head of Business Area/Business managers (eq. HoU) – Level 2</i>	TA	AD9 – AD12	Admin or Operational depending upon field
<i>Senior Specialist/Senior Analyst - Restricted Posts (eq. Senior officer)</i>	TA	AD7	Operational
<i>Specialist/Analyst - Restricted Posts (eq. Officer)</i>	TA	AD6	Operational
<i>Senior Specialist</i>	TA	AD7	Admin/Neutral/Operational depending upon field
<i>Specialist</i>	TA	AD6	Admin/Neutral/Operational depending upon field
<i>Admin. Assistant or equivalent</i>	TA / CA	AST2/4 / FGII/III	Admin/Neutral/Operational depending upon field
Special functions			
<i>DPO</i>	TA	AD9	Admin
<i>Accounting officer</i>	TA	AD9	Neutral
<i>Internal Auditor</i>	TA	AD11	Admin
<i>Management Board Sec.</i>	TA	AD11	Admin

⁴² This table has been produced according to the template provided in the Communication from the Commission on the guidelines for programming document for decentralised agencies and the template for the Consolidated Annual Activity Report for decentralised agencies, 16 Dec 2014, C(2014) 9641 final. Information in this template therefore differs from the one used for MSPP purposes.

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Annex II-c. Benchmarking exercise

The job screening exercise was done for the third time in 2016, according to the guidelines defined by the EU Agencies Network and based on all people working at Europol's premises on **15 December 2016**⁴³. This not only includes Temporary Agents, Contract Agents and SNEs but also Europol Liaison Officers, trainees and external service providers based at Europol's premises.

Compared to 2015, the **Operational Jobs have slightly increased by 0.9 points to 74.5%**. On the other hand, the jobs dealing with administrative support and coordination have decreased by 0.6 points, to 20.9%. Neutral jobs have decreased by 0.3 points to 4.6%.

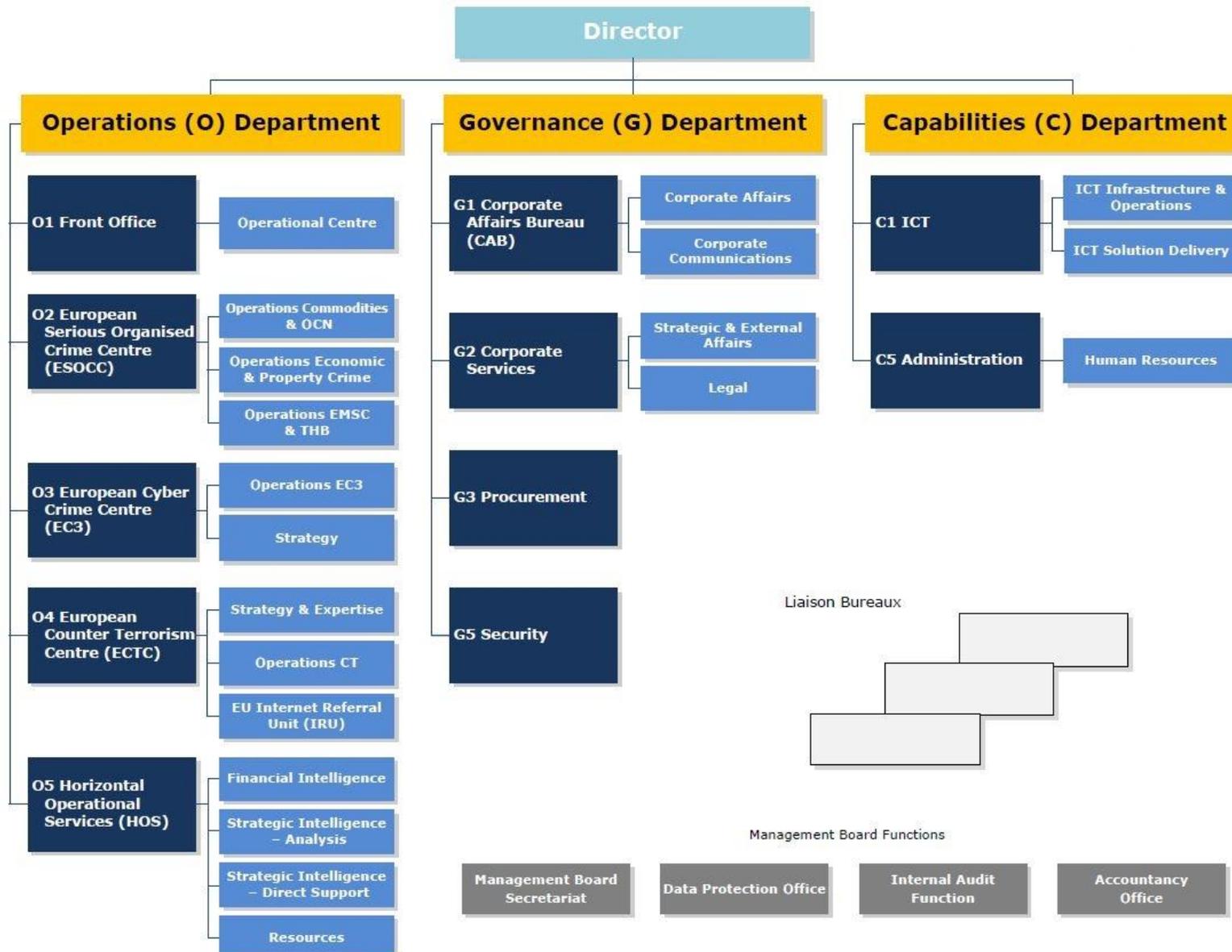
Job Type category	2015 Jobs		2016 Jobs		Δ 2016	
Administrative support and coordination	209	21.5%	227	20.9%	→	-0.6%
<i>Administrative support</i>	126	13.0%	164	15.1%	↑	2.2%
<i>Coordination</i>	83	8.5%	63	5.8%	↓	-2.7%
Operational	715	73.6%	808	74.5%	→	0.9%
<i>General Operational</i>	531	54.6%	591	54.5%	→	-0.2%
<i>Programme Management</i>	160	16.5%	193	17.8%	↑	1.3%
<i>Top Level Operational Coordination</i>	24	2.5%	24	2.2%	→	-0.3%
Neutral	48	4.9%	50	4.6%	→	-0.3%
<i>Finance</i>	48	4.9%	50	4.6%	→	-0.3%
	972		1085			

Overall, there was a staff increase of 113 (or 12%), divided per category as follows:

Category	2015	2016	Increase	
Temporary Agents - TA	483	505	22 ↑	5%
Contract Agents - CA	147	176	29 ↑	20%
Seconded National Experts - SNE (including SNE Guest Officers)	70	99	29 ↑	41%
Liaison Officers	206	209	3 →	1%
Trainees	30	41	11 ↑	37%
Contractors	36	55	19 ↑	53%
Total	972	1085	113 ↑	12%

⁴³ Other staff figures provided in this report, particularly under section 2.3, refer to staff figures on 31/12/2016.

Annex III. Organisational Chart



Annex IV. Provisional Accounts

BALANCE SHEET

ASSETS	31.12.2016	31.12.2015
NON-CURRENT ASSETS	30,944,341	26,469,552
Intangible fixed assets	6,123,084	2,602,060
Computer software	2,515,170	2,602,060
Under construction	3,607,914	-
Tangible fixed assets	24,814,342	23,860,577
Land and buildings	9,107,301	9,645,684
Plant and equipment	225,022	353,496
Computer hardware	7,229,783	6,297,971
Furniture and vehicles	2,173,885	2,187,604
Other fixtures and fittings	4,959,048	5,375,823
Assets under financial lease	1,119,302	-
Non-current receivables and recoverables	6,915	6,915
Long-term receivables	6,915	6,915
CURRENT ASSETS	26,446,612	20,336,323
Short-term pre-financing	2,163,072	2,104,118
Short-term pre-financing	5,706,737	3,144,245
Accrued charges on pre-financing	-3,543,666	-1,040,127
Short-term Receivables	4,542,379	2,306,317
Current receivables	1,570,987	945,674
Sundry receivables	171,754	84,754
Other receivables: Accrued income	27,052	27,568
Deferred charges	2,770,746	1,247,945
Receivables with consolidated EU entities	1,840	377
Cash and cash equivalents	19,741,161	15,925,888
TOTAL ASSETS	57,390,952	46,805,874
LIABILITIES		
NON-CURRENT LIABILITIES	6,107,885	611,113
Pension and other employee benefits	4,781,961	-
Provisions for risks and charges	-	-
Other liabilities	1,325,924	611,113
CURRENT LIABILITIES	14,042,283	12,845,924
Provisions for risks and charges	31,000	46,399
Financial liabilities	393,121	-
Payables	13,618,162	12,799,525
Current payables	55,103	13,130
Sundry payables	965,589	922,517
Other payables: Accrued charges	4,833,426	5,056,341
Deferred income	18,620	149,130
Accrued charges with consolidated EU entities	9,484	683
Accounts payable with consolidated EU entities	7,735,941	6,657,723
NET ASSETS	37,240,785	33,348,838
Accumulated surplus/deficit	33,348,838	34,908,915
Economic result of the year	3,891,947	-1,560,077
TOTAL LIABILITIES	57,390,952	46,805,874

STATEMENT OF FINANCIAL PERFORMANCE

	31.12.2016	31.12.2015
REVENUE	104,898,310	95,859,602
Non-exchange revenue		
European Union Contribution	103,781,320	95,202,276
Other non-exchange revenue	468,751	652,283
Exchange revenue	648,239	5,043
EXPENDITURE	-101,006,363	-97,419,679
Operational expenditure	-18,513,052	-20,515,213
Administrative expenditure:	-87,258,765	-76,899,466
Staff	-60,549,356	-54,420,104
Fixed asset-related	-8,108,199	-9,554,658
Other	-13,827,385	-12,924,704
Financial expenditure	-8,371	-5,000
SURPLUS/DEFICIT FROM ORDINARY ACTIVITIES	3,891,947	-1,560,077
Extraordinary gains	-	-
Extraordinary losses	-	-
SURPLUS/DEFICIT FROM EXTRAORDINARY ITEMS	-	-
ECONOMIC RESULT OF THE YEAR	3,891,947	-1,560,077

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CASH FLOW STATEMENT

	31.12.2016	31.12.2015
Economic result of the year	3,891,947	-1,560,077
Operational activities		
Amortisation (intangible fixed assets)	1,596,489	2,292,974
Depreciation (tangible fixed assets)	6,496,410	6,849,039
Increase (-)/Decrease in provisions for risks and charges	-15,399	-31,446
Increase (-)/Decrease in short-term pre-financing	-58,954	-2,104,118
Increase (-)/Decrease in short-term receivables	-2,234,598	5,821
Increase (-)/Decrease in receivables related to consolidated EU entities	-1,464	2,075
Increase(-)/Decrease in other long-term liabilities	714,811	32,720
Increase (-)/Decrease in accounts payable	-259,581	2,924,309
Increase (-)/Decrease in liabilities related to consolidated EU entities	1,078,218	4,036,402
Other non-cash movements	408,966	192,846
Net cash-flow from operational activities	11,616,846	12,640,545
Investing activities		
Increase (-) of tangible and intangible fixed assets	-12,598,824	-4,550,430
Proceeds from tangible and intangible fixed assets	15,290	15,303
Net cash-flow from investing activities	-12,583,534	-4,535,127
Increase/decrease (-) in pension and employee benefits liability	4,781,961	-
Net increase/decrease (-) in cash and cash equivalents	3,815,273	8,105,418
Cash and cash equivalents at the beginning of the year	15,925,888	7,820,470
Cash and cash equivalents at year-end	19,741,161	15,925,888

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STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/ Deficit	Economic result of the year	Net Assets (Total)
Balance as at 31 December 2015	34,908,915	-1,560,077	33,348,838
Changes in accounting policies	-	-	-
Balance as at 1 January 2016	34,908,915	-1,560,077	33,348,838
Allocation of the economic result of previous year	-1,560,077	1,560,077	-
Economic result of the year 2016	-	3,891,947	3,891,947
Balance as at 31 December 2016	33,348,838	3,891,947	37,240,785

**RECONCILIATION BETWEEN STATEMENT OF FINANCIAL
PERFORMANCE AND BUDGET RESULT**

Description	Amount
Economic result (Statement of Financial Performance)	3,891,947
Accruals/deferrals reversed from 2015	-4,940,884
Accruals/deferrals 2016	5,381,079
Unpaid invoices at 31.12.2016	68,566
Depreciation and amortisation of fixed assets	8,092,175
Provisions (impact of the year)	12,000
Value reductions (impact of the year)	73,062
Uncashed recovery orders issued in 2016	-52,469
Payments made from carry forward 2015	8,840,969
Internally-generated fixed assets ⁴⁴	-4,830,873
Fixed Asset corrections	-341,684
Other general ledger corrections	56,960
Corrections previous years	-638
Adjustment to recognise employee benefit liability	4,781,961
Asset acquisitions (excluding unpaid amounts)	-6,335,516
Open pre-financing paid in 2016	-3,024,215
Open pre-financing received in 2016	2,376,001
Cashed recovery orders issued before 2016	292,224
Cashed balance sheet recovery orders issued in 2016	267,795
Payment appropriations carried forward to 2017	-18,977,641
Cancellation of unused payment appropriations from 2015	1,612,811
Adjustment for 2015 carry forward appropriations assigned revenue	4,677,757
Payments 2016 in Statement of Financial Performance 2015	-52,884
VAT corrections	-254
Total = Budget result 2016	1,868,249

⁴⁴ This is the total amount capitalised in 2016 and considered under construction.

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BUDGET RESULT 2016

	2016	2015
REVENUE		
Union contribution, cashed	102,242,000	94,860,000
Other revenue, cashed	15,148,869	8,194,044
TOTAL REVENUE (a)	117,390,869	103,054,044
EXPENDITURE		
Budget Title 1: Staff		
Payments current year	69,943,099	57,616,341
Appropriations carried over to next year	5,830,731	698,537
Budget Title 2: Administrative		
Payments current year	5,473,394	6,068,532
Appropriations carried over to next year	3,736,630	4,517,903
Budget Title 3: Operational		
Payments current year	27,420,493	24,342,104
Appropriations carried over to next year	9,410,279	9,915,097
TOTAL EXPENDITURE (b)	121,814,627	103,158,514
RESULT FOR THE FINANCIAL YEAR BEFORE SPECIAL ITEMS (a-b)	(4,423,758)	(104,469)
Cancellation of unused payment appropriations carried over from the previous year	1,612,811	700,502
Adjustment for carry-over from the previous year – assigned revenue	4,677,757	303,136
Exchange rate differences	1,439	(1,318)
BUDGET RESULT 2016	1,868,249	897,850

Annex V. Main decisions of the Management Board

Meeting 3 February 2016

Work Programme 2016

The **MB** adopted the Europol Work Programme 2016 for its submission to the Council.

Relations with Turkey

The **MB** endorsed the proposal of the Director on the posting of a Turkish liaison officer at Europol. The MB stressed that such liaison officer should cooperate with all liaison officers present at Europol.

Meeting 11-12 May 2016

Order of replacement of the Director by the Deputy Directors

The **MB** adopted a decision according to which the order will be: Mr Martinů, Mr van Gemert and Mr de Eusebio.

Appraisal of the Director and Deputy Directors

The **MB** endorsed new appraisal templates for the Director and Deputy Directors.

General implementing rules on unpaid leave and part-time work

The MB adopted the Commission model decision for agencies on measures concerning unpaid leave for temporary staff and contract staff and decided that the new Commission Decision on part-time work should apply to Europol by analogy as of the date of publication of the MB Decision.

General report on Europol Activities 2015

The **MB** adopted the report and agreed to its submission to the Council for endorsement, in accordance with Article 37(10)c of the Europol Council Decision.

Consolidated Annual Activity Report 2015

The **MB** endorsed the Consolidated Annual Activity Report (CAAR) 2015, adopted the relevant analysis and assessment and agreed to submit the CAAR to the Court of Auditors, the Commission, the European Parliament and the Council in accordance with Article 47.2 of the Financial Regulation applicable to Europol.

Guest Officer's concept, including the adoption of a MB decision on SNEs

The **MB** adopted a Decision laying down the rules on the secondment of national experts to Europol, which will also apply to the so-called guest officers.

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Cooperation with Georgia and Ukraine

The **MB** endorsed the draft operational agreements with Georgia and Ukraine and agreed to submit them to the Council for approval, together with the relevant opinions of the Joint Supervisory Body of Europol.

Meeting 4-5 October 2016

Laissez-Passer for Europol staff

The **MB** authorised the Director to sign the Service Level Agreement to allow the issuance of the Laissez-Passer for authorised Europol staff.

Update on the reorganisation of the Operations Department and related staff implications

The **MB** endorsed the proposal for the reorganisation of the Operations Department and stressed the need to respect Europol's rules on restricted posts.

Intellectual Property Crime Coordination Coalition

The **MB** endorsed the proposals on an Intellectual Property Crime Coordination Coalition.

Accreditation to CONFIDENTIEL UE/EU CONFIDENTIAL

The **MB** accredited the Europol Operations Network, SIENA and the Unified Audit System to CONFIDENTIEL UE/EU CONFIDENTIAL.

Meeting 13 December 2016

Public Access to Europol documents

The **MB** adopted the decision laying down the rules for applying Regulation 1049/2001 with regard to Europol documents, as amended following the discussion, in compliance with Article 65(2) of the Europol Regulation.

MB decision repealing certain internal rules and measures by 1 May 2017 according to Article 76 of Europol Regulation

The **MB** adopted the decision repealing certain internal rules and measures by 1 May 2017 according to Article 76 of Europol Regulation.

Rules of Procedure of the Management Board

The **MB** adopted the new Rules of Procedure of the Management Board in compliance with Article 11(1)(t) of the Europol Regulation.

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Final Budget 2017 and Amending Budget 2016

The MB adopted the amending budget 2016 as well as the final budget and staff establishment plan 2017, in accordance with Article 37(10)(a) of the Europol Council Decision.

Europol External Strategy

The MB endorsed the Europol External Strategy 2017-2020 and invited Europol to submit to the Board guidelines for its implementation.

Cooperation with GCCPol

The MB endorsed the proposal to sign a Letter of Intent between Europol and the Gulf Cooperation Council (GCC) Secretariat General on the GCC Police Force.

Extension of systems accreditation

The MB extended the accreditation of the Unified Search Engine and the Confidentiality Desk System.

Written procedures

January-February 2016

The MB selected a Member State representative to participate in the Selection Committees concerning restricted posts during the first semester of 2016.

The MB adopted the Decision on Public Holidays for 2016.

The MB adopted the preliminary draft Europol Programming Document 2017-2019.

February-May 2016

The MB authorised the Director to fill in a restricted post through internal transfer of a staff member originally recruited for a non-restricted post.

The MB decided on the transmission of the Draft Agreement on Strategic Cooperation with the Ministry of Public Security of the People's Republic of China to the Council, requesting the Council to authorise the Director to sign the agreement.

The MB decided on the transmission of the Draft Agreements on Operational and Strategic Cooperation with Georgia and Ukraine to the JSB for its opinion.

The MB authorised the disclosure of the DPO Annual Report 2014 to the EDPS.

May-October 2016

The MB assigned a Member State representative to participate in the Selection Committees concerning restricted posts during the second semester of 2016.

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The **MB** approved the opinion on Europol's annual accounts 2015.

The **MB** endorsed the MB decision on the non-application of the Commission Decision C(2015) 9151 on the implementation of telework in Commission Departments of 17 December 2015.

The **MB** endorsed the proposed text on Europol's participation in Joint Investigation Teams.

October-December 2016

The **MB** adopted the Amending Budget 2016.

The **MB** adopted the list of Public Holidays for 2017.

The **MB** proposed to the Council the addition of Denmark to the list of third States with which Europol shall conclude agreements.