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2018

Consolidated Annual Activity Report

Europol Public Information

Contents

Acronyms and abbreviations

AFIS	Automatic Fingerprints Information System	HVT	High Value Target
CBCC	Cross Border Crime Checks	IAC	Internal Audit Capability
CEPOL	European Union Agency for Law Enforcement Training	IAS	Internal Audit Service
		ICF	Internal Control Framework
CERT-EU	Computer Emergency Response Team for the EU Institutions, Agencies and Bodies	ICT	Information and Communications Technology
CIC	Core International Crimes	IDMC	Integrated Data Management Concept
CMR	Cross Match Report	IRU	Internet Referral Unit
COSI	Standing committee for the EU internal security	ISF	Internal Security Fund
		ISIS	Islamic State
CSDP	Common Security and Defence Policy	JHA	Justice and Home Affairs
CTPB	Counter-Terrorism Programme Board	JOT	Joint Operation Team
		JPSG	Joint Parliamentary Scrutiny Group
DPF	Data Protection Function	JRC	EU Joint Research Centre
EAS	Europol Analysis System	MENA	Mediterranean and North African
ECA	European Court of Auditors	MTIC	Missing Trader Intra-Community
ECTC	European Counter Terrorism Centre	NEC	National EMPACT coordinator
EDA	European Defence Agency	OAP	Operational Action Plans
EDPS	European Data Protection Supervisor	OAR	Operational Analysis Report
		PNR	Passenger Name Record
EEAS	European External Action Service	QUEST	Querying Europol's systems
EES	Entry-Exit System	RTF	Regional Taskforce
EIS	Europol Information System	SIENA	Secure Information Exchange Network Application
EJCN	European Judicial Cybercrime Network	SIS	Schengen Information System
EMAS	Europol Malware Analysis Solution	SNE	Seconded National Expert
EMPACT	European Multidisciplinary Platform against Criminal Threats	SOC	Serious Organized Crime
EMSA	European Maritime Safety Agency	TFTP	Terrorist Finance Tracking Programme
EMSC	European Migration Smuggling Centre	UMF	Universal Messaging Format
		VCP	Virtual Command Post
ENISA	European Network and Information Security Agency		
EPE	Europol Platform for Experts		
ESOCC	European Serious Organised Crime Centre		
ETIAS	European Travel Information and Authorisation System		
EUBAM	EU Border Assistance Mission		
EUIPO	EU Intellectual Property Office		
EUNAVFOR MED	European Union Naval Force Mediterranean		
EURODAC	European Dactyloscopy		
EUSR	EU Staff Regulations		
FRA	European Union Agency for Fundamental Rights		
FII	Facilitated Illegal Immigration		
FIU	Financial Intelligence Unit		
HENU	Head of National Unit		

Management Board's analysis and assessment

The Management Board of Europol (MB) takes note of the Consolidated Annual Activity Report (CAAR) for the financial year 2018, submitted by the Executive Director of Europol in accordance with Article 16(5)(g) of the Europol Regulation (ER) and Article 47 of the Financial Regulation applicable to Europol.

In analysing and assessing the CAAR 2018, 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 2018. 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 2018, against the framework of the Europol Strategy 2016-2020, as well as relevant resource management information and reporting on audit activities, including the related overall follow-up activities.
- The ER has enhanced Europol's mandate and operational capabilities in order to effectively counter continuously evolving threats from cross-border crimes and terrorism across the EU and beyond. In particular, the Integrated Data Management Concept (IDMC) improves Europol's ability to act as the EU information hub and to deliver effective operational and analytical support to Member States in the fight against serious organised crime, terrorism and any forms of crime affecting a common interest covered by a Union policy.
- The ER has also provided increased data protection safeguards as well as democratic control and parliamentary oversight through the establishment of the Joint Parliamentary Scrutiny Group (JPSG).
- 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 2018, Europol was equipped with 876 staff and a regular budget of 132,7 Million Euro (including an amending budget of 5 Million Euro for the establishment of a dedicated decryption platform, 3 Million for the continuation of secondary security checks in migration hotspots and 2,5 Million Euro for the Denmark contribution), next to amending budgets for three grants with an overall value of 4 Million Euro concerning Europol's support to the Western Balkans, cross-border access to electronic evidence and online infringements of intellectual property rights.
- The MB also recognises the following achievements and developments, which underline Europol's prominent role as the EU information hub and leading operational support centre across the EU Justice and Home Affairs (JHA) area:
    - Over 1,110,000 messages were exchanged by Member States, Third Parties and Europol through SIENA (+11% compared to 2017), over 77,300 new cases were initiated in 2018 (+17% compared to 2017, exceeding the established targets and underlining a steady continuation of the enormous increase of the communication and case volumes through Europol, with new cases having more than doubled over the past five years;
    - The use of the EIS reached an all-time peak by the end of 2018, represented by the number of objects stored (1,310,120, +23% compared to 2017) and of searches (4,062,974, +64% against 2017, again exceeding expected targets, due to the systematic use of the EIS in business processes across Member States' competent authorities, highlighting the engendered trust of law enforcement authorities in the value of sharing information with and through Europol;
    - A 24/7 service within Europol's Operational Centre; with a total number of 1,748 operations supported in 2018 (+18% compared to 2017) and over 75,000 operational contributions received in 2018 (+3.8% compared to 2017) by the Operations

Directorate as a whole, next to a significant improvement of the first-line response speed in 2018 (from 18.2 days in 2017 to 6,8 days in 2018);

- The European Counter Terrorism Centre (ECTC) supported 620 operations (+41% compared to 2017) and produced 1,837 operational reports, representing a more than twofold increase in terms of the operational reporting output (917 operational reports in 2017), coordinated 26 Action Days and financially supported 28 operational meetings. The EU Internet Referral Unit (IRU) continued to operate as an integral component of the ECTC, with over 39,000 items of internet content assessed for referral (+56% compared to 2017) and subsequent removal by online service providers (with a success rate of 74%), complemented by five dedicated Referral Action Days (RADs) to coordinate the take down of accounts and websites across multiple networks;

- In the area of Serious and Organised Crime (SOC), Europol supported 758 operations (well above the target of 650 operations for 2018), boosted the initiation of Action Days (103 Action Days in 2018, compared to 56 in 2017), and organised 332 operational meetings with financial support (+12% compared to 2017). The number of operational reports related to the SOC area significantly increased to 4,636 (compared to 3,730 in 2017, +24%); In addition, a process for the selection of High Value Targets (HVTs) and the establishment of Operational Task Forces (OTF) was instigated. This led to a total of 71 HVTs identified (21 of which arrested or disrupted) and eight OTFs in 2018;

- The European Migrant Smuggling Centre (EMSC) maintained its overall operational engagement, with 163 operations supported (+3% compared to 2017) and 1,277 operational reports produced (over 1,300 operational reports in 2017), a more than threefold increase compared to 2016 when the EMSC was established (368 operational reports in 2016);

- In the area of cybercrime (EC3), Europol launched a Dark Web Team in May 2018, supported 257 operations (+43%, with 180 operations in 2017), coordinated 33 Actions Days, and organised as well as financially supported 40 operational meetings. The Joint Cybercrime Action Taskforce (J-CAT), embedded at the EC3 on a permanent basis, contributed to agile operational support, including on crypto-currencies and dark web markets, with the highest satisfaction level of 9 points (out of 10) for operational support (incl. analysis). 20 suspects and 51 victims in the area of child sexual exploitation were identified by means of the Image and Video Analysis Solution (IVAS) solution at Europol, with numerous other operational successes also having been made aware to the general public (such as the 'No More Ransom' initiative, EU wide action against counterfeit money on the Darknet, takedown of over 33,600 internet domains selling counterfeit goods);

- Europol deployed a total of 370 mobile offices – 283 short-term, 46 long-term and 41 permanent – to enable an agile handling of operational information and cross-checking on-the-spot (+9%, 339 mobile office deployments in 2017);

- The use of the public EU Most Wanted List (EU MWL) increased further in the course of 2018, with 1,650 unique website visitors on average per day, with 28 new high-profile fugitives added in 2018 and five arrests, following leads from the EU MWL;

- Europol intensively cooperated, among others, with Eurojust, the European Border and Coast Guard Agency (Frontex), the EEAS (including CSDP missions), EU NAVFORMED on the basis of a new working arrangement (particularly in the context of the Crime Information Cell (CIC) deployment), CEPOL, EUIPO, the European Commission, customs authorities, INTERPOL, priority third countries, such as the United States with the largest representation of agencies at Europol, and the private sector. Furthermore,

working arrangements were signed with Israel, Japan and the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA).

- The MB also notes, with respect to the overall implementation of the Work Programme 2018, that:
    - 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 the Europol Values, which is evidenced by a satisfaction level of 8.9 points (out of 10) concerning operational support (incl. analysis) in the ECTC, SOC (including EMSC and financial intelligence) and the EC3, as well as the high user satisfaction response, with an average score of 81 points out of 100;
    - Europol successfully delivered the agreed actions and performance targets, with an overall implementation of the Work Programme 2018 assessed at 79%, maintaining performance similar to previous years;
    - Europol continued its awareness measures on ethics to uphold high governance standards, and the MB adopted a model declaration of interests for its representatives, in line with the recommendation from the European Parliament, next to a new Internal Control Framework (ICF) for Europol;
    - Europol continued to accomplish excellent financial and human resource implementation figures, with a commitment rate of 99.9% (99.7% in 2017), a payment rate of 86.9% (close to the level of 89% in 2017), with 91.6% implementation of carry-forwards 90.9% in 2017) and a vacancy rate of 0.5% by the end of the year;
- In 2018, Europol was granted discharge for the 2016 budget and responded to the comments of the ECA, the internal auditor and other assurance providers addressing areas for improvement; 86% of all audit recommendations graded as critical/very important by the Europol IAC were addressed, with no critical or very important recommendation issued by the ECA, the IAS of the European Commission or the European Ombudsman pending for implementation in 2018.
- The MB also takes note of the efforts to improve key operational, financial and human resources aspects mentioned in the CAAR and recommends Europol to continue this work, particularly with regard to:
    - Keeping the focus on operational analysis and first-line response speed including the processing of contributions, while maintaining proactive support to high-profile investigations on cybercrime, serious and organised crime, and terrorism, for all three areas pose a continuous threat to the internal security of the EU;
    - Progressing Europol's contribution to the EU interoperability agenda and connectivity with information systems at EU level, and implementing a new ICT and information management architecture on the basis of a future-proof 'data lake' solution entailing a common data repository platform and effective data processing services for all core business data, in order to realise, to their full potential, the benefits derived from the IDMC introduced by the ER;
    - Maintaining the overall outstanding financial management levels achieved, while focussing on high ICT delivery;
    - Implementing the recommendations made by Europol's assurance providers and the EDPS;
    - Keeping up the high level of governance standards, including by pursuing an active dialogue ad cooperation established with the European Parliament and the JPSG in light of the enhanced parliamentary oversight arrangements.

The MB notes with concern that, notwithstanding the excellent results achieved in 2018, a number of important projects and activities foreseen in the Work Programme had to be de-

prioritised or could not materialise due to the budget eventually allocated to the Agency. The MB notes that new Executive Director Ms Catherine De Bolle, who took office in May 2018, has no critical issues to report which would affect the presentation of the annual accounts for the financial year 2018 to the discharge authority.

Furthermore, the MB congratulates the Executive Director on the proposed new Europol Strategy 2020+, which it endorsed in December 2018. The MB assesses that the five strategic priorities set out in this new Strategy provide a suitable framework for Europol's development in the years to come, in accordance with Europol's Mission, Vision and Values.

In light of the ongoing discussions on the Multiannual Financial Framework (MFF) for 2021-2027, the MB wishes to stress the adverse impact that resource and budgetary constraints will continue to have on Europol's ability to fully meet Member States' operational needs in 2019. In this context, the MB considers that the current estimated annual budget of 123.7 Million Euro per year until 2027 is insufficient for Europol to fully perform its Mission, in particular with regard to the necessary information management developments and the provision of continued high quality operational support to Member States.

The MB attaches this assessment to the CAAR for submission to the European Parliament, the Council, the European Commission, the ECA, national parliaments and the JPSG, in accordance with Articles 11(1)(c) and 51(3)(d) of the ER, and Article 47(2) of the Financial Regulation applicable to Europol.

For the Management Board,

Andrei Linta
Chairperson

Executive Summary

Implementation of the Annual Work Programme

- Implementation of the Work Programme 2018 reached 79%, despite the resource pressure that continued through the year. It can be concluded, therefore, that Europol successfully implemented the Work Programme 2018.
- As a result of a reduced final budget compared to the request of the Management Board, some initiatives/actions were deprioritised at the beginning of the year, at the same time retaining a high level of ambition.

Operational activities

- Europol continued its work towards the implementation of the Integrated Data Management Concept (IDMC) by means of different ICT work streams and several related processes were finalised, reviewed and/or updated.
- Regarding the interoperability and connectivity with information management systems, Europol continued to be actively involved in the discussions affecting different border management systems such as SIS, ETIAS, PNR or EES.
- The first-line speed of response to MS/TP significantly improved in 2018 (to an average of 6.8 days) and was well below the set target. The number of accepted contributions to be processed by Europol increased by 4% compared to the previous year and set a new all-time annual record, above 75,000 contributions. At the same time, the backlog of contributions pending processing went down to 3,800, which is below the target set at 4,000.
- Europol intensively cooperated, among others, with INTERPOL, Eurojust, Frontex, EEAS, EUNAVFORMED, CEPOL, EUIPO, European Commission, priority Third Countries and the private sector. 696 operational cases supported by Europol involved TP and cooperation partners, representing close to 40% of all operations supported, and almost 160,000 SIENA messages were exchanged with TPs, representing an increase of 24% compared to the previous year.
- In the area of Serious and Organised Crime (SOC), the ESOCC supported 758 operations, coordinated 103 Action Days and organised and financially supported 332 operational meetings. The number of operational reports related to the SOC area significantly increased to 4,636, compared to 3,730 the previous year. In terms of operational contributions, more than 48,000 contributions were accepted for processing representing an increase of 5.4% compared to the previous year. The satisfaction with Europol's operational support in this area was rated 8.9, above the target set at 8.5.
- Regarding the European Migrant Smuggling Centre (EMSC), launched in February 2016, almost 15,500 contributions related to Facilitated Illegal Immigration (FII) were accepted for processing in 2018 and around 17,500 SIENA messages related to FII were exchanged. The EMSC delivered 1,277 operational reports while supporting 163 operational cases and deploying around 1,500 man-days on-the-spot to hotspots and the EU RTF.
- In the area of cybercrime, the EC3 supported 257 operations, produced around 900 operational reports, coordinated 33 Actions Days and organised and financially supported 40 operational meetings. The satisfaction with Europol's operational support in this area was rated 9.0. In 2018, the EC3 accepted almost 7,000 operational contributions to be processed and performed 2,100 forensic jobs.
- The European Counter Terrorism Centre (ECTC), launched in January 2016, supported 620 operations, produced 1,837 operational reports and organised and coordinated 26 Action Days and financially supported 28 operational meetings. More than 6,600 contributions were accepted and around 55,500 SIENA messages exchanged by CT units, with 22% of

these messages shared with Europol. The EIS contained, at the end of 2018, more than 666,000 objects related to terrorism (main crime area in terms of number of objects) and 2,085 CBCC were found related to person objects in the CT area. The EU IRU assessed more than 39,000 online contents related to terrorism and violent extremism, 97% of which were referred for removal. From all the referrals made, 74% were successfully removed by the online service providers.

- 154 operations containing financial intelligence products/services were supported during 2018 and more than 1,000 operational reports were produced related to financial intelligence.

- Overall, in 2018 Europol managed to increase the support to operational cases by 18%, providing support (operational and analytical) to 1,748 cases – compared to 1,480 in 2017. Satisfaction with the support provided by Europol was rated 8.9/10 (as in the previous year) by more than 300 investigators involved in these cases.

- In terms of strategic and thematic analysis, Europol produced a total of 279 thematic analysis reports and 86 strategic analysis reports, both above the targets set for the year.

Core Operational Systems

- The availability of core systems reached an average of 99.7% and ensured almost uninterrupted access to their users.

- The combined effect of budget constraints, technical issues, new emerging initiatives and the delayed implementation of the new analysis system and its interdependencies with other planned projects had a negative impact on the overall ICT project delivery. The core business project delivery reached a completion of 77.0%, considering the re-planned milestones, which is above the set target but slightly lower than in 2017. Against the original scope planned for 2018, the implementation rate was 56.0%.

- More than 1.1 million SIENA messages were exchanged and more than 77,000 SIENA cases were initiated in 2018, representing an increase of 11% and 17%, respectively, compared to the previous year. Usage of UMF structured data moved up from 11% at the end of 2017 to 14% in 2018. SIENA 3.2 was rolled out in 2018.

- EIS figures set new records: more than 1.3 million objects (+23%) and more than 4 million searches (+64%). At the end of 2018, counter-terrorism remained the main area in terms of number of objects in the EIS. More than 3,000 CBCC related to persons were found in EIS.

- Regarding Europol's new analysis system, Europol's Directorate agreed that the originally tendered and contracted concept of analysis capability no longer met Europol's fast evolving business requirements and operational demand. It was, then, decided not to migrate the SOC data into the new analysis system but instead to elaborate a "data lake" concept solution on the basis of a common data repository for all core business data. The new analysis system platform will be integrated into this target solution as the key analysis software application, next to other analytical capabilities.

- EPE had, at the end of the year, almost 14,000 user accounts, 47% of which were active, and 52 active platforms.

Financial and Human resources

- Europol's budget for 2018 was € 122.2M, compared to € 114.6M in the previous year. One budget amendment of € 8M was made, including € 5M to set up a decryption platform in cooperation with the EU Joint Research Centre (JRC).

- The commitment implementation rate at the end of December, including non-automatic carry over, was 99.9% which is higher than the previous year (99.7%) On the other hand, the payment rate was 86.9% which is lower than the previous year (89%) and mainly

related to the amending budget for the decryption platform (90.4% excluding the decryption platform).
- The implementation of the € 12.3M carry forward from 2017 to 2018 was 91.6%, which is higher than in the previous year (90.0%).
- The vacancy rate was 0.5% (3 posts), which is below the 2% target ceiling set.
- The turnover rate was 8.7%, which is below the target ceiling of 15% and the previous year's result (9.7%).
- Gender balance (33% of all staff were female at the end of 2018) and MS representation are at a similar level as in the previous years. It must be highlighted that the percentage of female staff in Head of Unit or higher positions increased to 12%.

Audit Management and Internal Control

- The European Parliament granted discharge for the implementation of the budget for the financial year 2016.
- Europol received positive audit opinions from the European Court of Auditors (ECA) on the implementation of the Delegation Agreement, the Hotspot Grant Agreement and the provisional annual accounts for 2017.
- In 2018, the Internal Audit Capability (IAC) performed several audits concerning the application of the Europol Regulation, follow-up of past recommendations issued by the IAC, Learning, Training and Development (LTD), operational support on-the-spot, validation of ABAC access rights and the ISO 17020 audit of the Forensic Laboratory.
- The Data Protection Function (DPF) continued working on reviewing the compliance of Europol's processing operations with the applicable legal regime and facilitated the annual inspection performed by the European Data Protection Supervisor (EDPS) in May. The EDPS and Europol held bi-monthly meetings in 2018.
- The Internal Audit Service (IAS) conducted an audit on HR Management (including ethics) in April 2018 and the initially planned audit on IT Security was postponed to the second semester of 2019.
- Europol implemented 86% (24 out of 28) of the critical or very important recommendations planned to be implemented during 2018. No critical or very important audit recommendations issued by the ECA, the IAS or the Ombudsman were pending to be implemented.
- The Management Board adopted the new Internal Control Framework (ICF) at the end of 2018, which replaced the Internal Control Standards adopted in 2011.

Introduction

Guided by the Europol Strategy and through the implementation of the annual Work Programmes, 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 and the annual Work Programmes are accompanied by a set of performance indicators directly linked to the achievement of the multi-annual strategic objectives and annual work programme objectives. All these performance indicators and their targets are reviewed annually to ensure 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 2018 to 31 December 2018** and presents the progress made to achieve the objectives deriving from the Europol Strategy 2016-2020 and the 2018 Annual Work Programme[1], together with the performance results attained. An overview of the budget implementation and human resources management, audit and risk management activities and the efficiency and effectiveness of the internal control system are also included in this report.

The Consolidated Annual Activity Report (CAAR) has been prepared following the template provided by the Commission[2] and it is submitted on behalf of the Executive Director of Europol to the Management Board for assessment, in accordance with article 16 (5)(g) of Europol's Regulation and article 47 of the Financial Regulation.

According to article 11 (1)(c) of Europol's Regulation, this report shall be adopted by the Management Board who shall send it, with its assessment, by 1 July 2019 to the European Parliament, the Council, the Commission, the Court of Auditors and the national parliaments. Europol shall transmit the CAAR to the Joint Parliamentary Supervisory Group (JPSG) in accordance with article 51 (3)(d).

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, cybercrime 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.

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 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.

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[1] Included in Europol's Programming Document (PD) 2018-2020
[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

Methodology

The CAAR provides an assessment of the progress made to achieve the multi-annual strategic goals and objectives defined in the Europol Strategy and the annual objectives contained in the 2018 Work Programme.

For each work programme objective, a series of actions are identified to be implemented during the year, accompanied by indicators to monitor the performance related to the achievement of these objectives. Europol monitors the **implementation status of all these actions and the achievement of the targets** defined for the indicators on a quarterly basis, in order to assess the progress made and to take corrective actions when needed. This report takes into account the implementation of the agreed actions and the achievement of the performance targets and combines both elements into an overall assessment of the progress made at different levels (e.g. strategic goal, strategic objective and annual objective), measured as a percentage.

Achieving a progress of 100% in the context of this report would imply that all the actions had progressed as planned and all the performance targets had been achieved. However, as in any other organisation, to allow for unplanned changes in priorities and resources, when the progress made is assessed at 75% or above it can be considered that the organisation has achieved a very satisfactory performance.

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

 Means <u>good progress</u> is made (more than 75%). Progress can be considered as very satisfactory.

 Means <u>some progress</u> is made (between 60% and 75%). Progress can be considered as satisfactory but could be improved.

 Means <u>limited progress</u> is made (below 60%). Progress should be improved and corrective actions should be defined and put in place.

With regards to the evaluation of performance indicators versus their targets, the following convention within the different tables must be noted:

 When the target was achieved or exceeded

 When the target wasn't met but performance was better than the previous year

 When the target wasn't achieved and performance was worse than the previous year

Note on the de-prioritisation of activities in the Work Programme 2018

The Europol Work Programme 2018 was drafted according to a budget request of € 130,6M. In October 2017, the MB was preliminary notified about the implications of Europol not receiving the requested budget and the risks for the delivery of Europol's products and services and the overall development of the organisation.

When discussing the Final Budget for 2018 (€ 122.2M or -6.5% compared to the request of Europol) at the MB meeting in December 2017, the Member States and the Commission were made aware of the consequences of the shortfall in resources linked to the final budget received.

At the MB in February 2018, the MB was updated in more detail about the implications of the Final Budget for 2018 and the Member States and the Commission were informed about the

initiatives that would be de-prioritised as a result of the resource limitations. These initiatives are listed in Annex VI.

It must be noted that the **de-prioritised initiatives** included in this annex were **not considered when assessing the progress made** in the implementation of the work programme objectives.

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

The **Europol Strategy 2016-2020 is the framework** for the strategic goals and objectives that guide the Annual Work Programme 2018. Europol's strategy 2016-2020 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** have been defined to support the achievement of the three strategic goals above:

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 the strategic goals, strategic objectives and work programme objectives will be presented. More detailed and descriptive information follows in section 1.6 of this report that covers the main achievements and activities performed in 2018.

1.1.   Strategic goals

The progress made and the performance achieved for each of the three strategic goals is shown in the table below:

Strategic Goal	% Progress achieved
	60% 75%
1.- EU criminal information hub	80%
2.- Operational support and expertise	80%
3.- Efficient organisation	74%
TOTAL	**79%**

In 2018, overall progress made in the implementation of strategic goals and objectives (below in 1.2.) was assessed at 79%, with more progress made in the implementation of strategic goal 1 and 2 than in strategic goal 3. The overall result can be considered as in line with the previous year's results.

In 2018, Europol assessed the status of 152 actions[3] and the performance of 84 indicators[4]. This compares to 140 actions and 68 indicators in the previous year.

1.2. Strategic objectives

The progress made and the performance achieved for each of the nine strategic objectives is shown in the table below:

Strategic Objective	% Progress achieved
1.1.- Develop ICT capabilities	75%
1.2.- Effective first-line information exchange	85%
1.3.- Enhance partnership with cooperation partners	96%
2.1.- Support MS investigations in the SOC area	81%
2.2.- Support MS investigations in the area of cybercrime	78%
2.3.- Support MS investigations in the area of CT	77%
2.4.- Analytical and cross-cutting operational support	85%
3.1.- Effective management of Europol's resources	72%
3.2.- Promote added value of EU law enforcement cooperation	79%
TOTAL	**79%**

More progress was achieved for the strategic objective related to enhancing partnerships with cooperation partners (SO 1.3) for which all the indicators achieved and even exceeded the targets set and 94% progress was made in implementing the planned actions.

On the other end, less progress was made regarding the strategic objective of ensuring effective management of Europol's resources (SO 3.1), assessed at 72%. In terms of implementation of the planned actions and achievement of the performance targets for this strategic objective, progress was assessed at 73% and 72%, respectively.

In 2018, Europol significantly improved the performance with regards to the strategic objective on providing effective first-line information exchange (SO 1.2) and, more particularly, in terms of achieving the performance targets set (92% achieved, compared to 50% in 2017).

From a total of 9 strategic objectives, good[5] progress was achieved for 89% of them.

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[3] De-prioritised actions, following the communication to the MB in February 2018 and included in Annex VI, were not considered in the assessment of the progress made.
[4] One Key Performance Indicator and two Work Programme Indicators could not be reported and, thus, were not considered in the assessment.
[5] According to the Methodology, good progress implies aggregated progress above 75%. Limited progress implies aggregated progress below 60%.

1.3. Work Programme objectives

The progress made in each of the 23 work programme objectives is shown in the table below:

Work Programme Objective	% Progress achieved
A.1.1 - Advance the implementation of the new information management architecture and continue improving ope…	73%
A.1.2 - Advance interoperability and connectivity with information management systems at EU level to enhance…	86%
A.2.1 - Broaden the information and tactical analysis capabilities of Europol's 24/7 Front Office.	77%
A.2.2 - Implement effective cooperation processes with the EU Institutions and bodies, and with external par…	96%
A.3.1 - Reinforce EMSC's capabilities to better support Member States in the fight against organised crime r…	71%
A.3.2 - Implement the objectives and actions identified in the EU Policy Cycle priorities for the fight agai…	74%
A.3.3 - Further increase Europol's analytical capabilities and cooperation with third parties in regards to …	83%
A.3.4 - Undertake and support improvements in the strategic and operational approach followed by the MS and …	87%
A.3.5 - Strengthen the fight against counterfeiting and intellectual property crime.	100%
A.4.1 - Accelerate Europol's analytical capabilities to provide support to MS' cybercrime investigations and…	100%
A.4.2 - Further develop Europol's capabilities for data processing in the cybercrime area.	60%
A.4.3 - Foster international cooperation, in particular with industry partners, and identify/implement joint…	81%
A.5.1 - Utilise opportunities to facilitate greater information exchange between Europol and MS' CT competen…	68%
A.5.2 - Accelerate the development of Europol's capabilities to provide better and extended operational supp…	87%
A.5.3 - Further strengthen the internet referral capabilities of the European Counter-Terrorism Centre and c…	73%
A.5.4 - Increase financial intelligence capabilities related to terrorism including beyond the framework of …	100%
A.6.1 - Strengthen Europol's capabilities to handle and analyse large volumes of data.	67%
A.6.2 - Optimise Europol's support including the new financial mechanism for the implementation of MS' actio…	100%
A.6.3 - Increase the provision of comprehensive financial intelligence to MS regarding money laundering and …	76%
A.6.4 - Build up Europol's capabilities in the area of travel intelligence.	81%
A.7.1 - Continue optimising Europol's corporate processes.	82%
A.7.2 - Further rationalise the management and use of Europol's facilities including the building, and revie…	53%
A.7.3 - Further promote Europol's work and contribution in building an effective EU Security Union.	76%
TOTAL	**79%**

100% progress was achieved for 4 of the work programme objectives and for 15 out of the 23 objectives good[5] progress was made. On the other end, only for one of the work programme objective the progress made was considered as limited[5].

Very **good progress** was recorded for the work programme objectives on:

- Strengthening the fight against counterfeiting and intellectual property crime (A.3.5), four actions and one indicator all showing good progress.
- Accelerating Europol's analytical capabilities to support MS' cybercrime investigations (A.4.1), with good progress made for the five actions planned.
- Increasing financial intelligence capabilities related to terrorism (A.5.4), making good progress in the four defined actions.
- Optimising Europol's support for the implementation of the EMPACT framework (A.6.2), which included four actions and two indicators, all successfully implemented.

For seven work programme objectives the progress made was satisfactory but **could be improved**:

- Improvement of operational systems and tools (A.1.1) was mainly affected by the budget constraints, emerging initiatives, the technical product issues with the new analysis system – causing delays in other dependent projects - and the delayed implementation of other projects (e.g. the upgrade of the EPE, improving FIU.net etc.) In terms of the performance indicators, the targets for the number of EIS dataloaders in use, the percentage of EIS targets defined for the MS, the number of user accounts in EPE and the number of MS connected to QUEST were below the target.
- In 2018, the overall migration flow towards the EU continued to decrease and, in line with this, the number of SIENA messages exchanged related to Facilitated Illegal Immigration (FII), Europol's presence in the EU RTFs and locations of interest outside the EU (including on-the-spot deployments of EMSC staff) and the volumes of content assessed by the EU IRU related to FII declined as well and were below the set targets. Also, the use of biometric data in the course of investigations was not exploited as much as expected. This had a negative effect in the assessment of the progress made towards achieving objective (A.3.1) in terms of reinforcing the EMSC's capabilities in the area of migrant smuggling.
- Implementing EU Policy Cycle priorities for SOC (A.3.2), with limited progress in terms of producing certain strategic reports (e.g. on environmental crime, EU intelligence picture of the MTIC fraud threats), enhancing the tracing and confiscation of proceeds of crimes or using Dark Web project against online trade in the area of environmental crime.
- Regarding the development of data processing capabilities to fight cybercrime (A.4.2), good progress was made except in terms of achieving the set KPI targets for the usage of the EMAS tool for malware analysis which negatively affected the assessment of the performance in this respect. It must be noted that the specific indicators are under review as they have proven to pose difficulties in setting meaningful and stable targets.
- With regards to the information exchange between Europol and MS CT units (A.5.1), fewer MS CT units were contributing terrorism-related objects to EIS (although there were more objects in EIS, overall) and no progress was made in expanding the number of dataloaders installed and in use.
- Due to lack of resources, the EU internet referral unit could not expand the scope of its activities to other crime areas (A.5.3) and also the percentage of successful referrals dropped below the target set.
- Strengthening Europol's capabilities to handle and analyse large volumes of data (A.6.1), negatively affected by the lack of progress related to exploring/developing new analytical tools for large volumes of data or updating Europol's analytical guidelines.

Finally, for one work programme objective only **limited progress** was achieved:

- Very limited progress was made regarding the Business Recovery and Incident Response plans, linked to the revision of the Business Continuity Strategy (postponed to 2019), and the disaster recovery sites, all affecting the Work Programme objective A.7.2.

It must be noted that a number of actions were affected by the **lack of resources** and/or unanticipated events, leading to a necessity to re-plan. This was most prominent in the area of ICT project delivery, which had relevant interdependencies with other initiatives (e.g. Business Continuity and Disaster Recovery strategies).

1.4. Overall assessment of the progress achieved in the implementation of the Work Programme 2018

The overall implementation of the Work Programme 2018 was assessed at 79%, after reviewing and evaluating the implementation of 152 actions and 84 performance indicators (37 of which KPI).

This overall result can be broken down into 81% progress regarding the implementation of the actions and 69% in achieving the performance indicators targets in the Work Programme 2018. The achievement of the KPI targets reached 82%.

The historical evolution of the progress made towards the implementation of the different Annual Work Programmes is represented in the following chart.
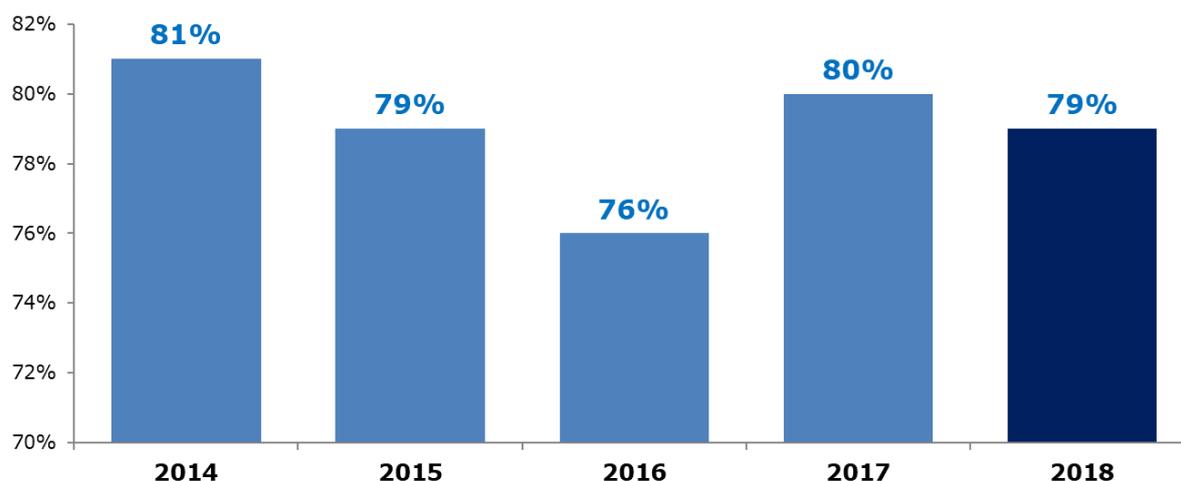
It can be concluded that **Europol successfully implemented the agreed actions and performance targets**, as defined in the Work Programme 2018, maintaining a performance similar to the previous years.

1.5. Activity Based Budgeting (ABB) and Costing (ABC)

In 2018, the total resources made available to Europol came to € 136M and 876 staff. This includes the following:

- € 132.7M of the regular budget (including an amending budget of € 8M and the Denmark contribution of € 2.5M) and 859 staff[6] (576 TA, 212 CA and 71 SNE).
- € 3.3M[7] for grant agreements (deployment of Europol Liaison Officer to the Western Balkans, cross-board access to electronic device, online infringements of intellectual property rights) and 17 staff (11 CA and 6 SNE).

The table below shows the final implementation (ABC[8]) of resources per strategic objective, compared to initially planned (ABB[9]) resources.

Goal	SO	Europol Strategic Objectives	STAFF				BUDGET			
			Planned in PD 2018	In post 2018	Staff in total %	Impl. Rate %	Planned Budget (incl, amending and DK contrib.)	Budget Outtun 2018	Budget in total %	Impl. Rate %
			a	b	b/sum	b/a	c	d	d/sum	d/c
Goal 1	1.1	Develop the necessary ICT capabilities to maximise the exchange and availability of criminal information	139	125	15%	90%	33,692,306	33,268,353	24%	99%
	1.1	Decryption Platform	-	-	-	-	5,000,000	5,000,000	4%	100%
	1.2	Provide effective and immediate first-line information exchange	45	44	5%	98%	4,702,919	5,137,145	4%	109%
	1.3	Strategically enhance partnerships with cooperation partners	22	26	3%	118%	5,272,419	4,913,401	4%	93%
		Total Goal 1	206	195	23%	95%	48,667,644	48,318,899	36%	99%
Goal 2	2.1	Support MS investigations in the area of SOC	136	129	16%	95%	20,712,040	22,762,544	17%	110%
	2.2	Support MS investigations in the area of cybercrime	91	85	10%	93%	11,088,426	11,098,381	8%	100%
	2.3	Enhance cooperation in the area of counter-terrorism	108	93	11%	86%	11,713,659	11,980,356	9%	102%
	2.4	Develop and manage high quality analytical support and an evolving portfolio of cross-cutting operational capabilities	71	74	9%	104%	10,653,146	9,031,165	7%	85%
		Total Goal 2	406	381	46%	94%	54,167,272	54,872,445	40%	101%
		TOTAL FOR OPERATIONAL ACTIVITIES	612	576	69%	94%	102,834,915	103,191,344	76%	100%
Goal 3	3.1	Ensure effective, efficient and accountable management of Europol's resources	212	208	25%	98%	24,914,386	24,237,883	18%	97%
	3.2	Promote the added value and achievements of EU law enforcement cooperation to stakeholders and EU citizens	18	17	2%	94%	2,362,970	2,299,641	2%	97%
		Management Board Functions	17	17	2%	100%	2,629,249	2,934,836	2%	112%
		Total Goal 3	247	242	29%	98%	29,906,605	29,472,360	22%	99%
		TOTAL FOR ALL ACTIVITIES	859	818	98%	95%	132,741,520	132,663,704	98%	100%
Grants Goal 2		Grants (ELOs deployment to the Western Balkans, Cross boarder access to electronic device, Online infringements of intellectual property rights)	17	13	2%	76%	3,317,811	3,317,811	2%	100%
		TOTAL	876	831	100%	95%	136,059,331	135,981,516	100%	100%

In 2018, Europol managed to implement 100% of its budget and 95% of the staff were in post at the end of the year. In more detail:

- 78% of Europol's budget (including grants) was implemented for **operational activities** (Goal 1 and 2).

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[6] As far as staff is concerned and with reference to Annex II-c which contains the job screening, it needs to be taken into account that staff in this section on ABB and ABC only includes own staff that are paid for by the budget (so this excludes Europol Liaison Officers, trainees and external service providers).

[7] Revenue not cashed in 2018 is not considered for the purpose of ABB/ABC. The € 3.3M is broken down in € 1.9M from EUIPO, 982k for Liaison Officers in the Western Balkans and 365k for SIRIUS.

[8] Activity Based Costing (ABC) shows the implementation of resources and measures how many resources were consumed by the activities.

[9] Activity Based Budgeting (ABB) ensures coherence between the planned activities and available resources.

- 36% of Europol's budget and 23% of the total staff were allocated to the **development of ICT capabilities and the provision of effective information exchange** (Goal 1). The implementation rate was 99% for the budget and 95% for staff for this strategic goal.
- 40% of Europol's budget and 46% of the total staff were allocated to **operational support** provided by the different centres (ESOCC, EC3, and ECTC) and the horizontal operational support (Goal 2). The implementation rate was 101% for the budget and 94% for staff for this strategic goal.
- 22% of Europol's budget and 29% of the total staff were allocated to activities ensuring **effective and efficient support of governance and administration including Management Board functions**, with an implementation rate of 99% for the budget and 98% for staff.

Finally, the unspent amounts received for **grants** were carried forward. The implementation rate for staff related to grants was 76%.

1.6.   Main achievements in 2018

	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

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
Operational Stability - Uptime of Core Systems	99.8%	99.7%	✔	98.0%
Core business project delivery (% of milestones achieved for projects that entail a core business component)	79.5%	77.0%	✔	75.0%
Core business project delivery (% of milestones achieved for projects that entail a core business component) considering original scope planned for 2018	-	56.0%	✘	75.0%
Number of organisational sub entities SIENA mailboxes in MS and TP connected to SIENA	1,100	1,445	✔	1,150
Number of SIENA messages exchanged	1,005,610	1,110,962	✔	1,100,000
Number of SIENA cases initiated	66,113	77,303	✔	65,000
% of all SIENA messages received by Europol containing structured data	11%	14%	✔	12%
% of MS individual EIS targets achieved (MS)	27%	23%	✘	36%
Number of objects in the EIS (MS+Europol)	1,062,236	1,310,120	✔	1,000,000
Number of person objects in the EIS	162,376	213,023	✔	160,000
Number of EIS searches	2,478,825	4,062,974	✔	2,600,000
Number of MS EIS data loaders	16	13	✘	17
Cross-border crime checks (CBCC) related to persons	5,337	3,036	✔	1,500
Number of active expert platforms on the EPE	50	52	✔	52
Number of EPE user accounts	13,342	13,834	❕	15,000
% of active users on the EPE	31%	47%	✔	45%
Number of MS connected to QUEST production	-	1	❕	5
Number of searches in SISII	-	16,128	⚪	-
Number of hits triggered by searches in SISII	-	-	⚪	-

In 2018, Europol's **core systems availability** reached an average of 99.7% which is above the target set at 98.0% and very similar to the availability in the previous year.

The combined effect of budget constraints, technical issues, new emerging initiatives (e.g. H2020, decryption platform, operational support for AMAQ) and the strategic decision on the new analysis system roadmap led to the re-planning of the ICT Work Plan in the fourth quarter.

Based on the re-planned milestones, the core business (operational) **project delivery** reached a completion of 77.0%, which is above the set target and slightly lower than in 2017. The implementation rate against the original scope planned for 2018 was 56.0%.

Regarding the use of **SIENA**, a total of 1,110,962 messages were exchanged (sent and received) in 2018, slightly above the set target of 1,100,000 messages and representing an increase of almost 11% compared to the previous year. 71% of the messages were exchanged by MS, 14% by TPs and 15% by Europol. Without taking into account messages exchanged by the Police and Customs Cooperation Centres (PCCCs), the most frequently cited crime area was robbery & organised theft, followed by drugs trafficking, fraud & swindling, facilitation of illegal immigration and terrorism.

The number of SIENA cases initiated was 77,303 which is well above the target of 65,000 cases and confirms the increased usage of SIENA. The number of cases has significantly grown compared to the previous year (+17%) and 82% of the cases were initiated by MS, 13% by TPs and 5% by Europol. This is in line with the previous year's distribution, with a small increase by the TPs and a comparable decrease by the MS. Out of these SIENA cases, 44% correspond to cases initiated by the ten[10] PCCCs using SIENA for information exchange. In total, 1,445 **organisational sub-entities** (mailboxes) were connected to SIENA at the end of 2018, representing an increase of almost 32% compared to 2017.

SIENA messages and cases
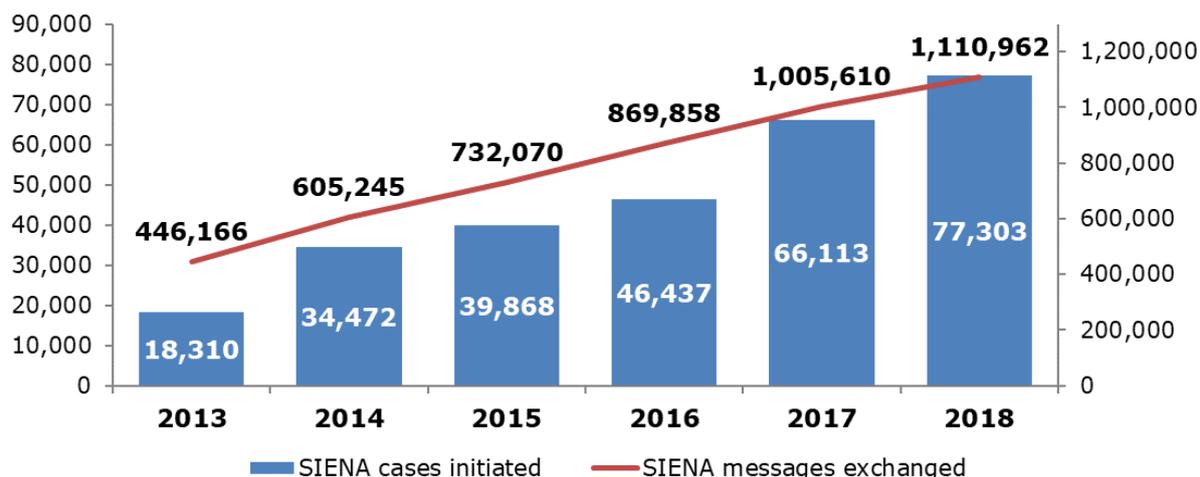
Regarding the **EIS**, both the number of objects (1,310,120, +23%) and searches (4,062,974, +64%) increased compared to the previous year and were well above the targets set. A total of 213,023 person objects were available in the EIS and 3,036 Cross-Border Crime Checks (CBCC) related to persons were triggered in 2018. On the other hand, only 13 dataloaders were installed and in use[11] in the MS, compared to a target of 17, and only 23% of the MS' targets (on objects, persons and searches, as agreed at MB level) were achieved at the end of 2018.

Terrorism, with 51% of all the objects, remains the major crime area in EIS, followed by drugs trafficking (11%) and robbery and aggravated theft (9%).

The countries with the highest number of objects were Germany (21%), The Netherlands (9%), Belgium (7%) and Finland (6%). Europol, on behalf of the third parties, was the main owner of data with 48% of the total. Finland (69%), followed by Sweden (10%) and Germany (8%) were the countries performing the highest number of searches in the EIS. 94% of the searched in 2018 were batch searches.

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[10] Out of a total of 59 PCCCs in Europe.
[11] Dataloader in France was not in use in 2018. Dataloaders in Lithuania and Sweden were decommissioned in 2018.

At the end of 2018, the EIS had a total of 9,406 users. It must be noted that this number had a peak in Q3 2018 with 11,352 users.

EIS objects & searches
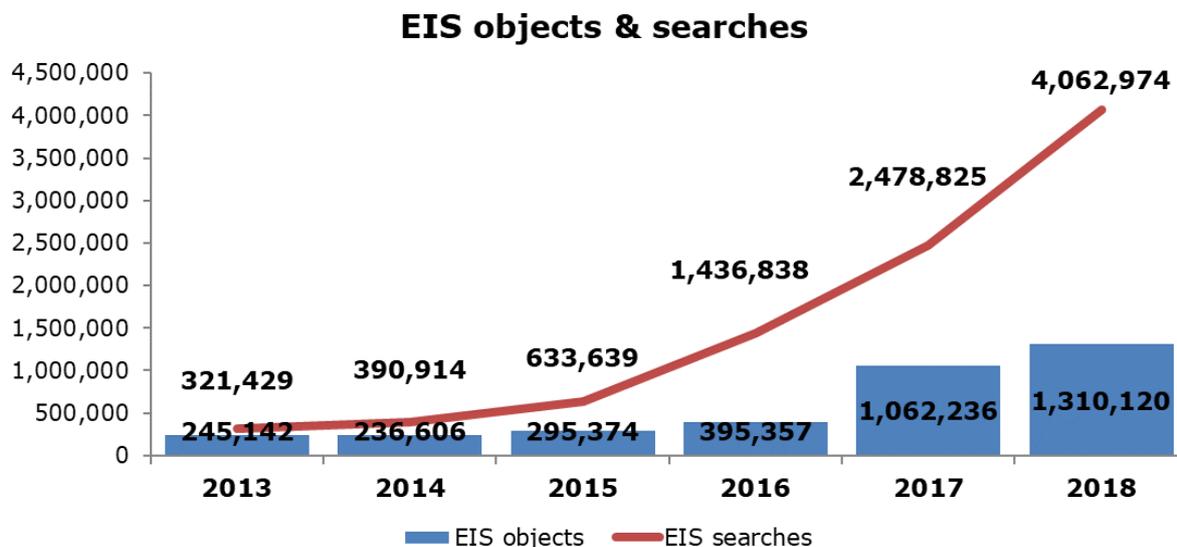
The number of **EPE** user accounts increased by around 500 users compared to 2017, totalling 13,834 at the end of 2018. On average, 47% of the users in the EPE were active in 2018, compared to 31% the previous year. The number of active platforms accounted for a net increase of two (from 50 in 2017 to 52 at the end of 2018) with four new platforms opening and two platforms being closed during the year.

> ⚠️ ***Work Programme Objective A.1.1 – Advance the implementation of the new information management architecture and continue improving operational systems and tools by focusing on automation and modernisation.***

Europol continued its work towards the implementation of the **IDMC** in various ICT work streams. MS and internal stakeholders participated in several sessions regarding the value stream on "Search and Cross-Check" and the discussions focused on the design and expected use of the related services. Several IDMC-related processes were finalised or updated, according to the plan. However, very limited progress was made in terms of integrating crime-relevant datasets from competent authorities, open sources or data sharing initiatives into Europol's systems.

The implementation of the 2018 **ICT Work Plan** was a challenging exercise from its inception, considering a 17% overbooking due to budget constraints. Unplanned and emerging initiatives like the decryption platform (together with the JRC), support to AMAQ project (analysis of ISIS propaganda) or the H2020 grant application had to be included in the scope of the ICT Work Plan during the year.

The roll-out of **SIENA** 3.2, whose development was completed in 2017 and allows for the indication of accepted purpose upon receipt by Europol, took place only in August 2018; this was the result of a necessary change of the underlying micro-services technology which prompted the re-architecting of SIENA 4.0 and the NEO Platform based on a different product family. Regarding SIENA 4.0, Member States and Third Parties were consulted on their specific requirements for the indication of the processing purpose and the outcome of this consultation was presented at the SIENA Product Management Forum in the fourth quarter, but no implementation in this respect occurred during the year. SIENA 4.0, including a new authentication system was available in TEST environment ready for MS testing by the end of 2018. The first solution (entity extraction) based on this new platform was implemented in 2018.

Regarding the **new analysis system** (EAS), Europol's Directorate agreed in July that the originally tendered and contracted concept of analysis capability no longer met Europol's fast evolving business requirements and operational demand; it was concluded that the original solution could not scale to the needs of Europol's central repository. A new design and roadmap were drafted and agreed by the end of 2018, accelerating the implementation of a "data lake" concept solution as a common data repository for all core business data. As part of this data repository, the File Management and Metadata Service (FMMS) integration was completed in Q3, allowing to accept/reject and assign data in a more efficient way and to replace the OPS Document Management System that will be decommissioned.

A roadmap for the evolution of the **EIS** was drafted and presented for discussion at the Information Management core group in the context of the value stream on "Search and Cross-Check". However, further alignment with this value stream is still required. Several technical developments were implemented in 2018, covering performance improvements, new statistics or revised rules for cross-checking for means of communication.

The percentage of messages received by Europol containing structured data (**UMF**) moved from 11% at the end of 2017 to 14% in 2018. However, only 4% of the messages sent by Europol contained UMF data. In this regard and in order to increase the overall use of structured data, Europol developed UMF-like excel templates for information exchange.

Regarding the possibilities for Europol to use and store information on the **Shared Biometric Service** (SBMS) of the Commission, despite Europol's efforts, the VIS recast proposal doesn't allow Europol to systematically check biometric data in VIS. Europol keeps monitoring discussions on the topic at EU level. On the other hand, € 30M are envisaged for Europol (2021-27) to enhance its fingerprint identification capability.

Other initiatives connected to this work programme objective include:

- **EPE**: the upgrade to a higher system version was accepted for the internet-facing network but the implementation was delayed.
- **QUEST BPL**[12]: the design of the EU BPL infrastructure was approved by the Joint Design Board and the concept was endorsed by the Security Committee. QUEST BPL was rolled-out in Q4 and at the end of 2018 only one MS was connected (while the target was five) to QUEST (286 searches performed), with another one becoming operational in Q1 2019.
- European Network of Forensic Science Institutes (**ENFSI**): the scope of connectivity with two ENFSI databases (Gunfinder and EUCAP) was clarified with the host MS and the timeline for connection was postponed to 2019.
- **H2020**: Europol coordinated the establishment of a consortium (including Law Enforcement Authorities from Spain, France, Germany, Belgium, Poland, Estonia and the private sector) which submitted in August 2018 a project proposal for the H2020 Security call on Information and data stream management to fight against (cyber) crime and terrorism. Europol's EC3, EU IRU and ICT worked together in the application for the Advanced Data Analytics (ADA).
- **FIU.net**: No resources were available to work on scalability improvements to handle increased amounts of data. A new FIU.net roadmap is envisaged to be endorsed by FIUs and Europol. Activities in 2018 focused on maintenance of the current system.
- **Internet Facing Operational Environment** (IFOE): Virtual desktop infrastructure was tested by the IRU and EC3 with satisfactory results and implementation was completed. The Quick Reaction Area (QRA) Blueprint was approved by the Joint Design Board (JDB).
- **Internet Referral Management application** (IRMa): development was completed and prepared for connection. Changes were made in the application to be fully compliant with the Europol Regulation.

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[12] Basic Protection Level

- **Virtual Command Post** (VCP): the solution was procured, installed, tested by the business users and rolled-out in Q4.
- **Mobile Offices**: 30 new mobile offices were acquired in Q1 and prepared for operational use.
- **Case Management Solution**: postponed in favour of the value stream on search and cross-check.

Overall, the improvement of operational systems and tools was affected by the budget constraints and the technical product issues with the new analysis system. The budget reduction was partly managed by prioritising business projects at the expense of other initiatives that, however, are crucial and will become mandatory for next year's ICT Work plan.

> ✅   ***Work Programme Objective A.1.2 - Advance interoperability and connectivity with information management systems at EU level to enhance information exchange.***

Europol attended several meetings and workshops regarding **interoperability** in the first semester of the year. More specifically, Europol had two meetings with the Commission, participated in the inter-agency meetings and attended the Entry-Exit System (EES) programme board. In the context of these meetings, relevant documents were produced to explain the necessary adjustments in order to strengthen Europol's contribution to interoperability. The European Parliament received briefings from Europol on the subject too. A legal assessment on the impact of the EU's Visa Information System (VIS) recast was on-going. At the same time, Europol was internally working on a strategic roadmap on interoperability, including milestones, benefits, budget and resources needs.

Also in terms of interoperability, discussions between Europol, INTERPOL and DG HOME were held concerning the **use of UMF** and how to improve information exchange on Firearms. In this respect, INTERPOL updated its iARMS to support the new UMF version. Cooperation continued with eu-LISA with regards to the use of UMF for the future EES and also regarding the EURODAC recast.

Regarding Europol's **access to VIS**, all the necessary developments for connection were completed in Q4 2017 and the final connection is dependent on eu-LISA's deployment, expected for 2019 at the earliest. Europol performed a total of 16,128 searches in **SIS II**. Due to the lack of a SIS II statistical tool, the number of hits following these searches could not be reported.

Europol's involvement in the **Prüm data exchange** is one of the actions in the Information Management Strategy for DAPIX[13]. A survey was conducted amongst DAPIX delegates and the outcome was that Europol could deliver operational added-value provided that some conditions were met (e.g. no costs for MS, no significant budget for technical implementation, etc.). The legal aspects and the business needs analysis around it were being examined by Europol.

A pilot project for the **Automated Data Exchange Process** (ADEP) was performed in the third quarter. Several milestones (network connectivity testing, ADEP design, test environment) were completed and the five pilot countries were connected. The BPL infrastructure was endorsed by the Security Committee and the roll-out already started before the end of the year.

Some progress was made regarding the implementation of the **European Travel Intelligence Centre** (ETIC) at Europol, mainly in terms of drafting the blueprint considering the business perspective (ICT components to be added at a later stage). Progress on other dependent

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[13] Working Party on Information Exchange and Data Protection

elements such as the roadmap, standardization or pilot targeting rules was very limited. At the end of 2018, 20 PIUs were connected to SIENA.

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

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
Speed of first-line response to MS requests (days)	18.2	6.8	✔	18.0
Accepted contributions to be processed	72,420	75,198	✔	72,500
Operational Information Backlog (number of operational contributions pending processing)	5,102	3,803	✔	4,000
% of total SIENA messages exchanged (by Europol) outside of office hours	6%	6%	❗	10%
Hit rate (Number of cross match reports and simple answers per 100 accepted contributions)	10.2	9.1	✔	8.0
Number of Mobile office deployments	339	370	✔	320

Europol received more than 75,000 **operational contributions** to process which is 4% above the amount of contributions received the previous year and well above the target set for 2018. Additionally, the number of operational **contributions pending processing** (*aka* operational backlog) went below 4,000 which is considerably lower than the 5,100 at the end of the previous year and just below the ceiling set in 2018. Another important improvement can be seen in terms of the **speed of first line response**, where the average time has gone down to less than 7 days– compared to 18.2 days the previous year.

Accepted contributions
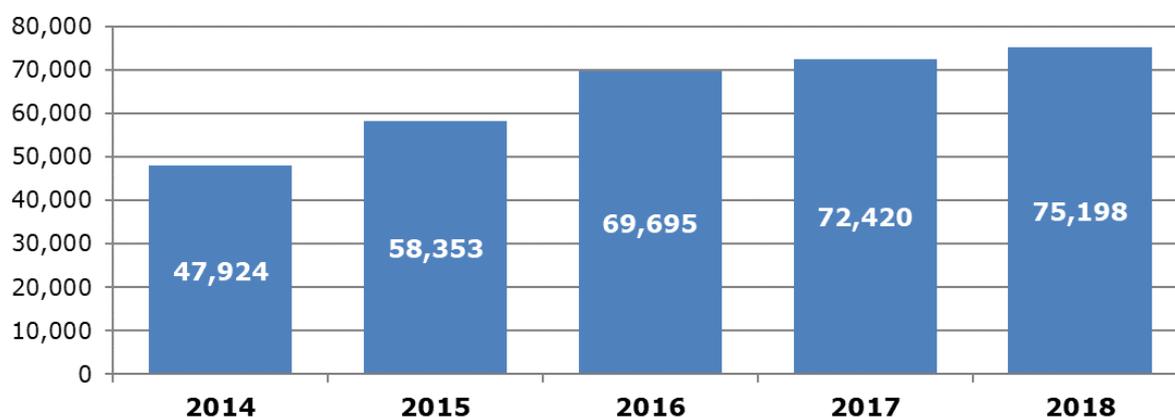
In 2018, 370 **mobile offices** were deployed, compared to a target of 320, for a total of 17,304 deployment days. Of these mobile offices, 283 were short term (less than 15 days), 46 long term (more than 15 days) and 41 were permanent (e.g. guest officers in Italy and Greece, and for EUNAVFORMED, etc.).

Apart from processing information, the Operational Centre produced 3,406 **operational reports** in 2018, compared to 2,231 in 2017. Of these reports, 1,021 were CMR and 2,368 SIENA hit notifications. The **hit rate**[14] in this period was 9.1 (6,824 CMR/hit notifications for a total of 75,198 accepted contributions to be processed) which is slightly below the hit rate in 2017 but

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

well above previous years. It must be noted that, as displayed in the following chart, 49% of the CMR/hit notifications were produced by the Operational Centre.
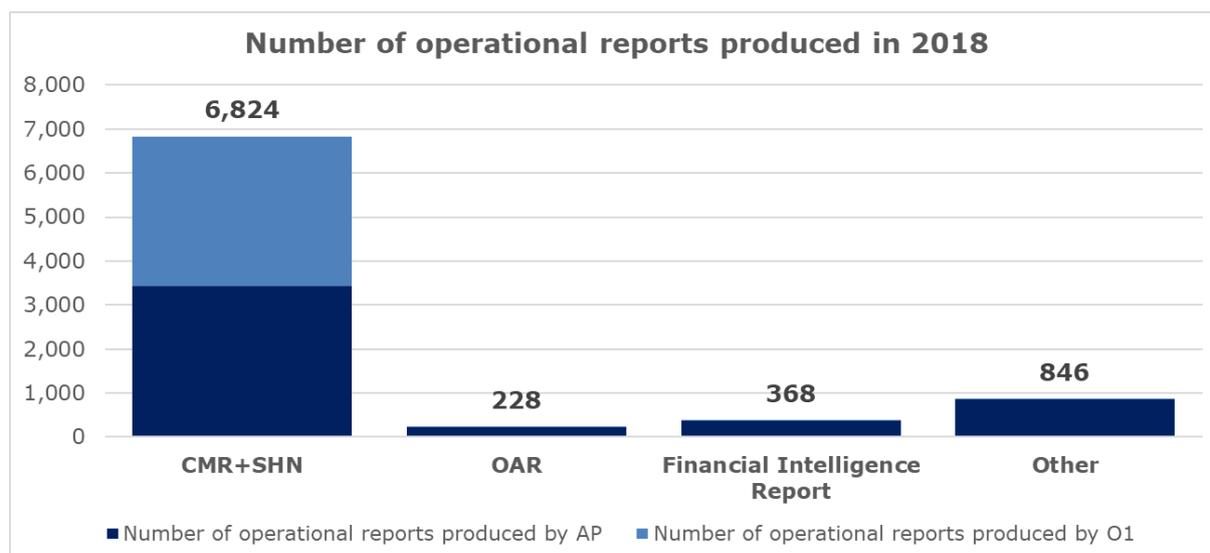
Work Programme Objective A.2.1 - Broaden the information and tactical analysis capabilities of Europol's 24/7 Front Office.

In order to expand the Operational Centre's capabilities and be able to **monitor open sources**, including social media, licenses for a new tool were procured and the analysts in the Operational Centre made use of it as of Q3. This software allows to monitor incidents in and outside Europe and alert the concerned units at Europol.

Due to the problems and delays experienced with the implementation of the new analysis system, it was impossible to develop techniques and best practices to identify and systematically search polycriminals and **High Value Targets** (HVT) in the analysis system. ESOCC was, however, very active in the identification of HVT in different Operational Task Forces (OTF), leading to a high number of arrests and seizures.

A unified **training programme for all newly recruited analysts** was established, including the 3-month induction programme within the Operational Centre and new e-learning modules.

Europol continued to provide support in **major international events**. For instance, by being involved in the coordination centre for the UEFA 2020[15], providing back office support for the Winter Olympic Games 2018 in South Korea or by deploying a mobile office to the Eurovision Song Contest in Lisbon.

Also, in order to streamline activities and **exchange best practices**, an exchange with two Interpol staff deployed to the Operational Centre was arranged. A video conference and study visit of Frontex Situation Centre was hosted by the Operational Centre in June for the exchange of knowledge and experiences setting up the 24/7 service. In Q4, a representative from the Operational Centre attended the JHA Network Workshop on "situation awareness and Inter-Agency cooperation".

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[15] Union of European Football Associations

> ✅ *Strategic Objective 1.3. Strategically enhance partnerships with cooperation partners*

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
SIENA messages exchanged by third parties (TP)	128,250	159,046	✅	125,000
Operations supported by Europol involving cooperation partners	535	696	✅	550
Operations supported by Europol involving private partners	49	61	✅	60

The number of **SIENA messages exchanged by Third Parties** was 159,046 (14% of the total, same as the previous year) and was above Europol's target, showing an effective information exchange by Third Parties through SIENA. This represents an increase of around 24% compared to the previous year.

696 **operational cases that involved cooperation partners** were supported by Europol during the year, compared to 535 in the previous year. This represents a significant increase of 30% and it is well above the target set for the year 2018. 499 cases involved TPs (230 cases involved USA and 86 cases involved Western Balkans countries).

Europol supported a total of 58 operations in which **Eurojust** was involved (compared to 61 in 2017) and 13 operations in which **Frontex** was involved (10 in 2017). Information exchange with these parties notably increased and, at the end of 2018, the number of messages exchanged with Eurojust and Frontex was 841 and 2,508 respectively. Cooperation with **INTERPOL** (30 operations) and the **private sector** (61 operations) was significant too. Additionally, Europol supported 6 operations in which Customs were involved.

During the year, 32 new **associations** of TPs **to different Analytical Projects** were completed – many of which linked to the APs on environmental crime (AP ENVICRIME) and core international crimes (AP CIC).

> ✅ *Work Programme Objective A.2.2 - Implement effective cooperation processes with the EU Institutions and bodies, and with external partners on the basis of Europol's External Strategy 2017-2020.*

Europol established its **office in Brussels** in May 2018 in order to reinforce the relationship with the EU Institutions and Bodies. Two liaison officers were appointed by the Executive Director and established the necessary contacts to provide remote support to Europol HQ as needed.

A draft concept on the **hosting of Liaison Officers from third parties** that Europol would like to approach for structured cooperation (based on the list of priority partners) was prepared and thorough internal revision and discussion of the concept were on-going.

Regarding the **connection of selected cooperation partners to SIENA**, significant progress was made for OLAF (a MoU was signed) and for Georgia (the signed MoU entered into force and the required equipment for connecting to SIENA was prepared and shipped for installation, expected to take place in Q1 2019). Implementation to other cooperation partners is dependent on budget, legal and technical requirements.

Several **awareness sessions** were organised by Europol, e.g. to the new liaison officer from EUNAVFORMED and for the preparation of Europol personnel deployed to Operation Sophia. Regular contacts with the EEAS and other actors are maintained to increase the awareness of personnel to be deployed to EU Delegations and CSDP missions and operations.

With regards to the possible effects and **impact of the Brexit**, the negotiations concerning the cooperation in police and judicial matters were still on-going. Europol had been approached both by the Commission and the UK for the identification of a possible effective cooperation framework. As for the staff from the UK working at Europol, several information session were organised and a specific page on the subject was published on the intranet. Different Brexit scenarios were considered and mitigating options were further elaborated.

The mid-term **review of the Europol External Strategy** was prepared and tabled at the MB meeting in December 2018, who endorsed the reviewed list of priority partners. Additionally, a report on the current and future initiatives influencing Europol was drafted and presented to the Senior Management in view of the timely identification of political initiatives affecting the organisation.

Europol closely monitored the progress made in the **implementation of the European Public Prosecutor's Office (EPPO)**.

✅	**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*

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
Operational reports delivered related to SOC	3,730	4,636	✔	1,400
Operations supported related to SOC	769	758	✔	650
Satisfaction with operational support and analysis in the area of SOC	8.9	8.9	✔	8.5
Operations supported by EMSC	158	163	✔	130
SIENA messages exchanged related to irregular migration	19,290	17,495	✖	20,000
On-the-spot support deployed related to EMSC (days)	2,149	1,511	✖	1,800
Volume of content assessed by IRU related to irregular migration	693	805	❗	1,000
% of decisions for referral by the EU IRU related to irregular migration	81%	93%	✔	90%
% of successful referrals by EU IRU related to irregular migration	78%	98%	✔	85%
Operations supported related to environmental crime	-	24	✔	20
Operations supported related to Counterfeiting	29	52	✔	32

Europol provided operational support to 758 **operations related to the area of *Serious and Organised crime*** (SOC) during 2018, which is in line with the number of operations supported in the previous year and well above the set target of 650 operations. Drugs (172 operations), facilitation of illegal immigration (163) and property crime (115) were the top crime areas in terms of operational support provided by the ESOCC. AP Furtum (115), AP Migrant Smuggling (101) and AP Cannabis (68) were the top three APs in terms of the number of operations supported. The **satisfaction with the operational support delivered**, measured and monitored via regular feedback provided by the lead investigators and experts, was 8.9 which is above the target of 8.5 and similar to the previous year. A total of 169 investigators involved in 106 eligible operations provided feedback to gather these results. During this period, Europol organised and financially supported 332 **operational meetings**, with a total funding of more than € 825k, and coordinated 103 **Action Days**. The ESOCC deployed 196 **Mobile Offices** in 2018 for a total of 3,427 deployment days.

Operations Supported ESOCC - 2018
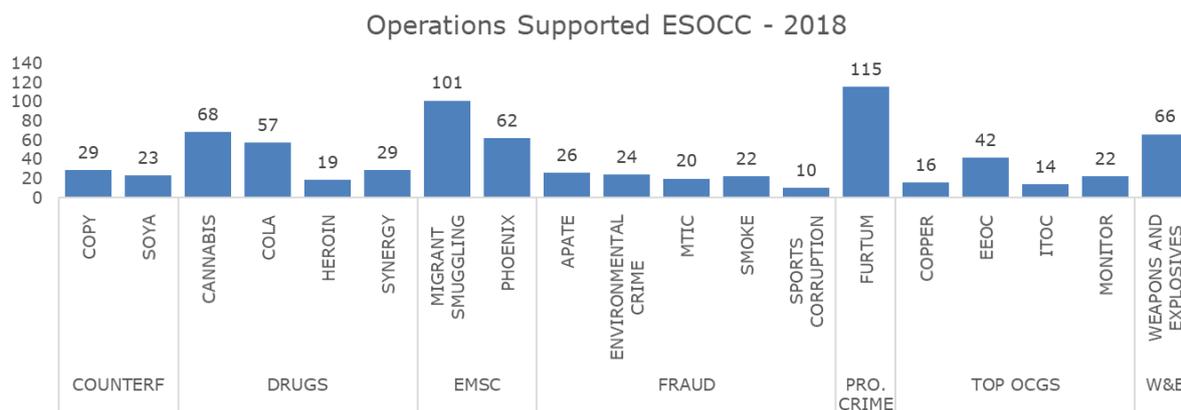
In terms of **operational contributions** related to SOC, Europol accepted 48,376 to be processed, which represents an increase of 5.4% compared to the previous year. A total of 4,636 **operational reports** related to SOC were produced by Europol's analysts, which is well above the target set of 1,400 reports. More in detail, 4,336 CMR and hit notifications (3,525 in 2017), 119 OAR (106 in 2017) and 181 other operational reports (99 in 2017), including seven financial intelligence reports, were delivered. The significant increase in the number of operational reports (+24%) can mainly be explained by the large number of cross-match reports and SIENA hit notifications. The number of OAR in this area also increased compared to the previous year. It must be noted that around 70% of the operational reports (mostly CMR and hit notifications) related to crime areas in the ESOCC were produced by the Operational Centre.

Operational Reports ESOCC - 2018
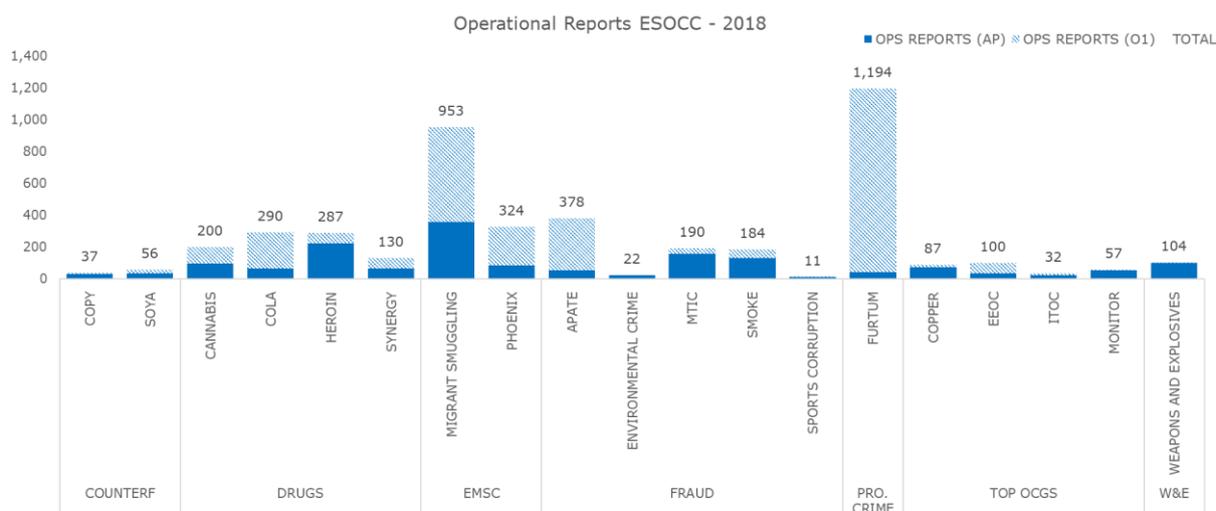
In 2018, the overall migration flow towards the EU continued to decrease[16] and, in line with this, the number of **SIENA messages exchanged related to the Facilitation of Illegal Immigration** declined to 17,495 which is below the target and the number of messages exchanged during the previous year. To maximise resource/budget efficiency, the EMSC reduced the number of **man-days deployed on the spot** to 1,511 days, which is below the set target of 1,800 for 2018. The fact that none of these two targets would be met at the end of the year was already anticipated in Europol's six-month activity report 2018 and reflects the changes in the external factors, i.e. the decline in the migration flows.

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[16] Frontex: Number of illegal border crossings at the EU's external borders decreased from 1.8 million in 2015 to 0.5 million in 2016, to 204,654 in 2017 and to 150,033 in 2018.

Concerning other crime areas within SOC, 24 operations were supported related to **environmental crime** and another 52 related to **counterfeiting**. These were both above the target set for the year.

> ⚠️ ***Work Programme Objective A.3.1 - Reinforce EMSC's capabilities to better support Member States in the fight against organised crime related to irregular migration and trafficking in human beings.***

During 2018, the **EMSC supported 163 operations**, quite above the target of 130 operations. 1,277 **operational reports** in the area of facilitated irregular migration (FII) were delivered by Europol[17]. The EMSC accepted 15,423 **contributions** and almost 17,500 **SIENA messages related to FII** were exchanged. The EMSC organised and financially supported 45 **operational meetings** (€ 92k funded) and coordinated 60 **action days**.

Europol's presence in the **EU RTFs** to support the local authorities with high priority cases gradually decreased as the SNEs in the JOT MARE concluded their secondments. While new SNEs were recruited and trained, resources from the EMSC were deployed to the EU RTF, providing the relevant technical and analytical expertise to support the investigations.

Limited use of **biometric data** was made by the EMSC to fully exploit the capabilities to enrich the criminal intelligence in migrant smuggling investigations. This role was delegated to the Operational Centre which currently has this in-house expertise. At the end of 2018, Europol accounted for more than 767,000 facial images[18] (more pictures being attached to SIENA), 2,558 fingerprints and 148 DNA profiles.

The **Malta implementation plan** brought to the table the need to further cooperate with CSDP missions and operations (e.g. EUBAM Libya) and the EEAS. Europol deployed an experienced analyst for over 6 months to EUBAM Libya and laid down a solid foundation for future cooperation in the area of migrant smuggling. The **Crime Information Cell** (CIC) was successfully established in Q3 as a multi-agency, multi-stakeholder information gathering/exchange platform on-board EUNAVFORMED flagship vessel operating in the Mediterranean Sea. Europol deployed an expert on a 6-month pilot, after which an assessment of the project would be made.

During 2018, the EMSC also participated in initiatives that involved Niger (in the context of a Spanish-French joint investigation team for the disruption of smugglers operating from Niger), Egypt (for the launch of the official EU dialogue on migration with Egypt), Libya (high level delegation visiting Europol in Q4), FRONTEX (supporting the AFIC[19] platform for knowledge and intelligence sharing in the field of border security) and INTERPOL (supporting the ISON[20] project).

The concept of a **Flexible Visiting Expert** was presented and approved by Management in order to allow Europol to engage more effectively with partners from Third Countries in the MENA region as well as CSDP missions and the EEAS. This concept was first used for a visit to EUBAM Libya in June and resulted in a productive engagement with the all the involved parties (EU, UN, International Organisations, Libyan authorities)

The recruitment of Liaison Officers to be deployed to the **Western Balkans** countries was completed and an Action Plan on Western Balkans was presented and approved, ready for its full implementation in 2019. Nonetheless, no liaison officers were yet deployed to the Western Balkans in 2018.

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[17] These operational reports were produced by AP Migrant Smuggling, AP Phoenix and the Operational Centre.
[18] This includes OPSnet and Computer Forensic Network (CFN)
[19] Africa-Frontex Intelligence Community
[20] INTERPOL´s Specialized Operational Network against People Smuggling

In order to enhance the exchange of information between EU MS law enforcement authorities, CSDP civilian and military missions and EU delegations in third countries a decision was made to establish an **Information Clearing House** (ICH). Participants in the ICH included INTERPOL, Frontex, EUNAVFORMED or EUROGENDFOR. A first meeting was organised at Europol in February in order to discuss the state of play, the information flow, available resources and possible scenarios. Working arrangement documents were drafted to ensure the participation of all actors. During this time, intelligence reports were prepared by the ICH and delivered to the pertinent MS for further action. The main pending issues experienced in 2018 related to EUNAVFORMED's connection to SIENA, deployment of INTERPOL's officer to Europol and data protection (EDPS) with regards to information exchange of personal data with Frontex.

The EMSC sought to increase the focus on **tackling the production of fraudulent documents**, particularly in the context of the migrant crisis. In this respect, the EMSC disseminated several intelligence notifications on document fraud and a dedicated analyst was assigned to deal with the cases related to document fraud. The EMSC supported 14 investigations related to document fraud and, as co-leader, supported the EMPACT action (5.1) for the disruption of OCGs using fraudulent documents in the context of facilitation of illegal immigration (including the development of ProfID system) and provided expertise to the EMPACT Horizontal Expert Group on document fraud. Support was also provided to EMPACT action (7.2) on online trade of fraudulent documents on the Dark Web. Finally, the EMSC worked closely with the EC3 lab on the top 10 printers used for the production of fraudulent documents and delivered awareness and training on the subject.

Regarding the take down of **online content related to the facilitation of illegal immigration**, Europol's EU IRU closely cooperated with the EMSC and JOT MARE to detect relevant content. In total, 805 contents were assessed by the EU IRU, which focused on a small number of accounts but provided actionable intelligence to the MS, with a rate of 98% successful removals of content. However, the volume of contents assessed by the EU IRU fell short compared to the target of 1,000. Due to unavailability of financial resources the organisation of a conference on migrant smuggling on social media had to be de-scoped.

EASO[21] provided Europol with tailored made Social Media Monitoring Reports allowing the EMSC to focus on platforms and content where smuggling was openly provided. The EMSC delivered relevant intelligence reports and **Investigation Initiation Documents**.

Finally, the EMSC supported several priority cases to detect **illegal money flow** in connection with migrant smuggling and signed a service level agreement with the FIU for that purpose.

> *Work Programme Objective A.3.2 - Implement the objectives and actions identified in the EU Policy Cycle priorities for the fight against serious and organised international crime between 2018- and 2021.*

Europol sought measures to enhance **multi-agency cooperation in the area of environmental crime**. Three operational actions had their kick-off meetings at Europol's headquarters involving EU Agencies such as Frontex and EFCA[22]. **Cooperation with customs authorities** was considered particularly relevant, however, more efforts and awareness raising will still be required. AP Envicrime accepted 671 **operational contributions**, delivered 22 **operational reports** and supported 24 **operations**, among which operation Elvers dismantling an organised crime group smuggling glass eels in suitcases on planes to Asia. Operation 30 days at sea was another successful example, involving 24 MS, EMSA, EFCA and Frontex and leading to many arrests and pollution incidents detected. The planned **strategic report on environmental crime**, drawing the overall picture within the EU and identifying the obstacles

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[21] European Asylum Support Office
[22] European Fisheries Control Agency

in investigations and prosecutions, could not be completed in 2018 and had to be postponed to 2019, in order to enable more detailed contributions from the MS.

In terms of **MTIC fraud**, a report on the overall EU intelligence picture of MTIC fraud threats, modus operandi and HVT identification was under preparation and the MS were asked to contribute. A workshop on MTIC Threat Assessment was organised in Q4 and 20 MS attended. The final report will be concluded by the Strategic Analysis team once the interim SOCTA[23] review is completed in 2019. In order to **raise awareness in third countries**, AP MTIC made a presentation to the Anti-Money Laundering and Anti-Corruption teams of the Dubai Police in Q1 2018, as part of one of the EMPACT OAP. Additionally, training relevant training on the subject was delivered, in cooperation with CEPOL.

Regarding **property crime**, more than 10,000 **contributions** were accepted and close to 1,200 **operational reports** were produced. 115 **operations** were supported by AP Furtum.

One of the objectives for the EMSC in 2018 was the development of techniques and best practices for the identification of polycriminals, High Value Targets (HVT), new criminal trends and crime hubs. For that purpose, the EMSC developed and implemented a **standard operating procedure for the selection of HVTs and the establishment of operational task forces** (OTF). This led to a total of 71 HVTs identified (21 of which arrested or disrupted) and eight OTF established in 2018.

> ✅ *Work Programme Objective A.3.3 - Further increase Europol's analytical capabilities and cooperation with third parties in regards to trafficking of firearms and explosives.*

In 2018, 66 **operations linked to trafficking of weapons and explosives** were supported by AP Weapons & Explosives (23 of which involving third parties) and more than 2,300 **contributions** were accepted for processing. 104 **operational reports** were produced, 23 Mobile Offices deployed and 42 operational meetings financially supported related to this crime area.

AP Weapons & Explosives continued supporting investigations linked to the trafficking of firearms in the **Dark Web** and participated in **cyberpatrol week** organised by the EC3 in the second quarter. An online training course on how to tackle illicit trafficking of firearms in the Internet and Dark Web was organised in June and included new topics like the tracing of crypto-currencies. Preparatory work for the cyberpatrol week in 2019 was conducted in Madrid during Q4.

In order to conclude the MoUs regarding the **access to iARMS** (INTERPOL)**, eTRACE** (US ATF[24]) **and iTRACE** (Conflict Armament Research) legal aspects such as Data Protection were discussed during the course of 2018. Access to these tools would enable Europol to effectively do the tracking for MS and TPs and to generate intelligence for operational cases as well as for strategic purposes.

Due to a lack of resources at the EU IRU, no **referrals** were made in relation to this crime area.

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[23] Serious and Organised Crime Threat Assessment
[24] Bureau of Alcohol, Tobacco, Firearms and Explosives

> ✅ ***Work Programme Objective A.3.4 - Undertake and support improvements in the strategic and operational approach followed by the MS and Europol in targeting the reduction of drug supply.***

Europol supported a total of 172 **operations related to drugs**, of which 63 involving third countries. On-the-spot support to dismantle drug labs was provided in four occasions and five operational taskforces were established to tackle specific drug threats.

In cooperation with the Special Tactics team, progress was made in order to assess the needs of **forensic and surveillance technologies** to cross-border drug trafficking investigations. Europol discussed with other Agencies providing relevant services (EMSA, SatCEN) the possibilities for **further cooperation** in this respect. This was also discussed at the Drugs Programme Board meeting the second quarter of the year and included in the relevant action plan for further monitoring. Some specific activities in this respect will be implemented in the framework of an EU-funded project led by Lithuania.

Europol's drugs cluster contributed to the **cyber patrol exercise** conducted by the cybercrime centre with the production of 150 intelligence packages related to the detection and investigation of drug crimes in the internet environment.

A service level agreement was signed between the **ESOCC and Financial Intelligence Group** at Europol in order to **increase the mutual cooperation** and include financial investigative support to drug cases. However, cooperation still needs to be further enhanced.

The European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and Europol Threat Assessment on synthetic opioids in the EU was published in 2018 and an **awareness action plan** to highlight EU drugs threats was drafted.

> ✅ ***Work Programme Objective A.3.5 - Strengthen the fight against counterfeiting and intellectual property crime.***

In the area of intellectual property crime and counterfeiting, Europol supported 52 **operations** and accepted 1,867 **contributions** to process. 93 **operational reports** were delivered and 11,283 **SIENA messages exchanged** related to this crime area. 14 illegal euro print/mint shops were dismantled in the first half of the year. On-the-spot forensic support was provided to operations related to counterfeit 28 times.

The Intellectual Property Crime Coordinated Coalition (IPC3) continued with the implementation of the activities mentioned in **EUIPO's Activity Plan 2018 and Multi-Annual Strategic Plan for 2018-2020 on Intellectual Property Rights (IPR) crimes**.

Europol made progress regarding the **redirection of IP infringing websites** seized by MS law enforcement authorities (seizedservers.eu). This was done in the context of operation IOS and the required ICT infrastructure to accomplish this was renewed.

Several **communication and awareness campaigns** were organised by the IPC3:

- In the context of operation OPSON, training was organised on counterfeit coffee, tea and alcohol.
- Operation Silver Axe raised awareness on use of illicit pesticides.
- INTERPOL/Europol press release against food crimes and more specifically focusing on tuna.
- World IP Day where an awareness campaign was launched on social media on counterfeit items.
- World Anti-Counterfeiting Day in June 2018.

- Press releases following operation FLEMING on illegal IPTV services, in cooperation with the Irish Police, and operation IN OUR SITES – close to 35,000 domains seized linked to counterfeit and pirated items.

AP Soya continued supporting the ALERT network for **Euro Protection** in the Balkan Area and a new EPE sub-platform on forgery of money was set up.

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

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
Operational reports produced related to cybercrime	12,256 [1]	889	❌	2,000
Operations supported related to cybercrime	180	257	✔	175
Satisfaction with operational support (incl. analysis) in the area of cybercrime	8.9	9.0	✔	8.5
Number of forensic jobs performed by EC3	1,664	2,100	✔	1,100
Number of files submitted to EMAS by MS	372,586	119,729	❌	425,000
Number of malicious files identified through EMAS	153,581	57,548	❌	200,000
Victim identification related intelligence packages	13	23	✔	12
Number of prevention campaigns organised	7	8	✔	6
Number of forensic examinations on printed materials (e.g. euro banknotes, brand labels, documents, etc.)	29	10	❌	30
Number of Europol Forensic Lab deployments on the spot by the EC3 Lab	11	14	✔	10
Number of on the spot mobile device examination kit deployments in all crime areas	80	155	✔	65
Number of cooperation agreements or working arrangements concluded with private sector	3	8	❗	10

[1] 11,197 reports (intelligence packages) were produced in the context of one operation coordinated by AP Cyborg, targeting a counter virus service. Excluding this, a comparable figure for 2018 would have been 1,059 operational reports.

Europol provided operational support to 257 **operations in the area of cybercrime** which is well above the target of 175 set for 2018 and almost 43% above the previous year. The **satisfaction with the operational support** provided, measured and monitored via regular feedback provided by the lead investigators and experts by means of online surveys, was 9.0 which is in line with the target of 8.5 and above the previous year's satisfaction. Satisfaction was measured in 62 eligible operations with feedback from 125 investigators.

Operations Supported EC3 - 2018
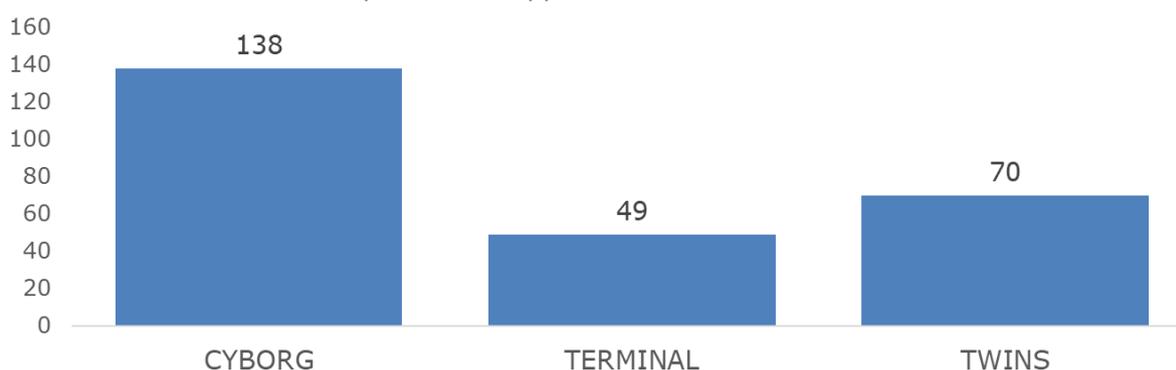
During this period, Europol coordinated 33 **Action Days** related to cybercrime (which include, among others, the takedown of the biggest marketplace selling paralysing DDoS, the arrest of a mastermind behind EUR 1 billion cyber bank robbery or the Victim Identification Taskforce). The EC3 organised and financially supported 40 **operational meetings** (total funding of € 116k) and deployed 26 **Mobile Offices** for a total of 223 days.

Operational Reports EC3 - 2018

	CYBORG	TERMINAL	TWINS
▨ OTHER	81	29	0
■ OAR	39	4	25
■ CMR+SHN	272	103	336
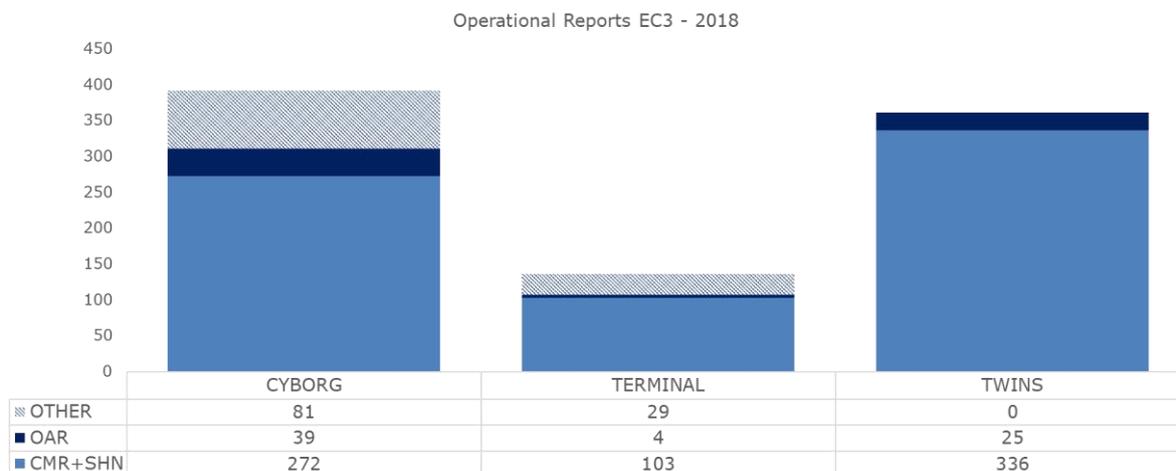
The EC3 accepted 6,918 operational contributions to be processed and produced 889 **operational reports**, which is below the target set for the year and considerably below the previous year. This corresponds to 711 CMR and hit notifications (285 in 2017), 68 OAR (176 in 2017) and 110 other operational reports (11,250[25] in 2017). The EC3 performed a total of 2,100 **forensic jobs** which is above the target and also above the previous year. Additionally, the EC3 performed 10 forensic **examinations on printed materials**, deployed the **Forensic Lab** in 14 occasions and deployed the **mobile device examination kit** on-the-spot, for all crime areas, on 155 occasions. In total, 754 technical investigations on printing devices were performed in 2018 and 1,115 data storage devices examined.

In 2018, the number of requests for **cross-departmental support provided by EC3** increased significantly (e.g. in the area of cryptocurrency analysis, digital and document forensics, Dark Web investigations, technical support, etc.)

The target for some of the performance indicators couldn't be achieved but it must be noted that some of them (e.g. EMAS-related, forensics examinations, etc.) are contingent upon request of the MS.

> ✅ *Work Programme Objective A.4.1 - Accelerate Europol's analytical capabilities to provide support to MS' cybercrime investigations and extend the services to the area of counter-terrorism.*

The purchase and implementation of a solution to analyse **bitcoin transactions** was completed and integrated within Europol's systems and the relevant users gained access to it.

Following the Virtual Currencies Workshop, the EC3 organised a 3-day conference on **cryptocurrencies** with more than 300 attendees. Various in-house and external training courses were delivered on cryptocurrencies investigations. Europol collaborated with CEPOL by drafting content of their online course on Online Trade of Illicit Goods and by delivering the "Webinar on Virtual Currencies".

Multiple operational cases involving the use of cryptocurrencies and **alternative means of payment** were supported and the Cyber Intelligence team delivered relevant operational

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[25] See footnote in the Performance Indicators table on page 33.

analysis reports to MS and other AP on related offences like thefts, hacks, DDoS, ransomware, phasing, etc. Additionally, **strategic and thematic reports** on cryptocurrencies and **Dark Web markets** were delivered by the EC3. A thematic report was jointly being drafted by Europol and Frontex on payment fraud as a facilitator of other forms of crime.

A new **Dark Web Team** was officially launched in May. The team actively contributed to the EMPACT OAP drafting of priorities for Dark-Web related actions in 2019 and prepared a blueprint for the activities to be performed by the team. The second Cyber Patrol Action Week was successfully executed in 2018. Operational support to other areas, such as drugs, fraud or counterfeit currency, was provided and training was delivered (e.g. to Bulgarian authorities, CEPOL webinar, etc.) The Law Enforcement Expert Assembly on Tackling Criminality on the Dark Web was hosted at Europol in May with the attendance of more than 100 experts.

The Cyber Intelligence team continued the development of **machine learning** algorithms to assist in the automation of certain existing processes and to support a more effective handling of the large volumes of data submitted to Europol. These algorithms were developed in line with Europol's procedures for the handling of data and data protection framework. Other projects/tools involved password utilisation context, writing pattern recognition, scrapping capabilities, malware DNA, etc.

Discussions on how to develop expertise on commercial **Child Sexual Exploitation** took place during the annual AP Twins meeting, held in Q2 2018. Several thematic analysis reports related to Child Sexual Exploitation were delivered during the year. Closer contact with Law Enforcement Authorities in Asia was established in order to assist the process of victim identification and rescue. In this respect, several meetings were attended by the Europol Liaison Officer at Interpol's IGCI[26] with the relevant authorities in Thailand and Cambodia.

> ⚠ *Work Programme Objective A.4.2 - Further develop Europol's capabilities for data processing in the cybercrime area.*

In order to further develop **Europol's decryption capabilities** to support MS investigations, € 5M were allocated to Europol via an amending budget in 2018. The funds were received in May. Meetings with the different stakeholders to capture the requirements were held and different cooling technologies and equipment contracting options were considered. Service Level Agreement (SLA), facility and security requirements and budget planning with regards to the off-site platform located within one of the premises of the JRC were finalised in 2018. A decryption expert was recruited and worked on the development of a decryption manual that would serve as valuable input for the project. Europol's current decryption platform, managed by the EC3, was used on 32 occasions, being successful in 12.

At the end of 2018, the **Europol Malware Analysis solution** (EMAS) accounted for 969 users. 119,729 suspicious files were submitted to EMAS by the MS with close to half (57,548) identified as malicious. Both figures were far from the targets defined in terms of usage of the EMAS solution, though this is partly the result of a difficulty to set accurate targets for the indicator, given the volatility of the number of files submitted[27]. New antivirus engines for preventing/detecting cyber security threats were successfully tested and integrated in the solution.

In total, 20 suspects and 51 victims were identified by means of the Image and Video Analysis Solution (**IVAS)** and 21 investigations were supported with **the Face Recognition** solution developed in-house.

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[26] INTERPOL Global Complex for Innovation
[27] Europol is examining the use of a more relevant and stable indicator

> ✅   ***Work Programme Objective A.4.3 - Foster international cooperation, in particular with industry partners, and identify/implement joint activities to address common challenges in the cybercrime area in a unified manner.***

In 2018, the **Joint Cybercrime Action Taskforce** (J-CAT) hosted at EC3 concluded 17 high-profile cybercrime cases with the support of the EC3. In addition, the Taskforce welcomed three new full-time members – Norway, Switzerland and Sweden.

The EC3 conducted an evaluation of the members of the different **Advisory Groups** (AG). New and relevant partners were added to the different AGs and an "incentive scheme" for the EC3's stakeholders was drafted in order to promote partners with the most positive contributions. The proposed "incentive scheme" aimed to encourage AG members to actively engage with EC3 at a strategic level, focussing on activities contributing to a safer and more secure cyberspace. This scheme proposed, for instance, to organise visits to the EC3 for senior staff of companies contributing the most to the work of the European cyber law enforcement community or joint press releases to promote joint strategic products. As a result of the evaluation, partners to be included in this scheme were identified. Additionally, the possibility to establish a network of automotive forensic law enforcement experts was explored and under assessment. A dedicated workshop on DDoS was organised in June, involving the AG Communication Providers, and 8 new **memorandum of understanding with the private sector** were concluded during 2018.

Support to the European Financial Coalition (training and mentoring programme, meetings, alignment with EFIPPP[28]), Academic Advisory Network (different meetings), Internet Governance Network (148 officers trained, ICANN[29], RIPE[29] and IETF[29] meetings) and Forensic Expert Forum (meetings) was provided during the year.

An application to an **H2020 grant**, led by Europol in consortium with LEA, private sector and academia, to develop **Big Data and Predictive Analysis capabilities** was submitted. This project was also aiming to address the need to make the referrals from the NCMEC[30] more efficient and effective. However, as communicated to Europol early in 2019, the application was not successful. **140,390 NCMEC intelligence packages** were distributed within 2018, which constitute a significant increase (almost three-fold) from the previous years.

The update of the **Training Competency Framework** was finalised and approved by the EU Cybercrime Taskforce (EUCTF) in April and should help to set the cybercrime-related training priorities at the EU level. Also the **Training Governance Model** was submitted to all stakeholders at the end of Q2, for further validation. Different training courses were delivered on EMAS, J-CAT, LE cooperation with private sector, Internet Governance, OSINT, cryptocurrencies, etc. The EC3 organised and delivered its three **annual signature training courses** (open source IT forensics, payment fraud and combatting child sexual abuse online) to the EU MS authorities in 2018. The overall feedback received from the participants was very positive.

In line with the Commission communication on resilience, deterrence and defence, Europol contributed to the development and endorsement of an EU Law Enforcement **Emergency Response Protocol (EU LE ERP) for large-scale cyberattacks**, which was endorsed by COSI in December. A dedicated cyber simulation exercise under EMPACT was planned for 2019.

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[28] Europol Financial Intelligence Public-Private Partnership
[29] Internet Corporation for Assigned Names & Numbers, Réseaux Internet Protocol Européens and Internet Engineering Task Force.
[30] National Centre for Missing and Exploited Children

Also, the EC3 contributed to the work of the **ICANN** PSWG to devise a GDPR[31]-compliant and accurate **WHOIS system**. The EC3 together with other actors (FBI[32], DoJ[32], NCA[32], and Commission) are working to create a system for law enforcement to query non-public WHOIS databases. At the request of Member States and the Presidency of the European Union, Europol proposed to set up a WHOIS law enforcement portal. The concept was widely supported (including by ICANN). Data protection constraints are being discussed with the EDPS and ICT provided an estimation on delivery times and financial resources required.

The EC3 organised 4 **prevention campaigns** and the EC3's Twitter account had more than 15,000 followers. The *No More Ransom* initiative continued to grow in 2018 in terms of number of partners and decryption tools for victims of various ransomware campaigns. The **EPE SPACE** contained 38 sub-communities and accounted for more than 5,000 users. In anticipation of the migration to the new EPE platform, existing communities on SPACE were reviewed.

The EC3 continued to actively cooperate with **INTERPOL, ENISA, Eurojust, CEPOL, EJCN, ECTEG, EDA, CERT-EU and FRA** in many different ways. For example, INTERPOL participated in the EC3 Programme Board, jointly organised the INTERPOL-Europol Cybercrime Conference, was invited to the LE Expert Assembly on tackling crime on the Dark Web and provided operational support to relevant cases. ENISA was also part of the EC3 Programme Board, was invited to participate in the Emergency Response Protocol workshop and participated in the IoT Conference. The EC3 and Eurojust worked together on the update of the Common Challenges to Combating Cybercrime. In May 2018, Europol, ENISA, EDA and CERT-EU signed a Memorandum of Understanding to establish a cooperation framework between their organisations. The partners have developed a roadmap that identifies concrete areas of cooperation and synergies.

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[31] General Data Protection Regulation
[32] Federal Bureau of Investigation, Department of Justice and National Crime Area.

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

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
Operations supported related to CT	439	620	✔	300
Operational reports produced related to CT	917	1,837	✔	850
Satisfaction with operational support and analysis in the area of CT	8.2	8.0	✖	8.5
Number of EU MS/TP CT units connected to SIENA	46	47	❗	48
Number of EU MS CT units connected to EIS	20	19	✖	24
SIENA messages exchanged by CT units	44,467	55,226	✔	40,000
Number of accepted contributions related to CT	6,167	6,642	❗	7,000
Number of EIS objects related to CT	564,248	666,738	✔	550,000
Number of MS contributing terrorism and foreign fighters related objects in EIS	23	19	✖	22
Number of referrals for secondary security checks in hot spots	1,421	1,559	✔	1,250
Number of persons referred for secondary security checks	9,898	7,118	✖	8,000
Number of hits resulting from secondary security checks	83	381	✔	30
Volume of content assessed by IRU related to terrorism and violent extremism	24,997	39,005	✔	22,500
% of decisions for referral by EU IRU related to terrorism and violent extremism	97%	97%	✔	90%
% of successful referrals by EU IRU of suspicious internet content related to terrorism and violent extremism	79%	74%	✖	90%
Number of TFTP Art. 10 EU Requests for TFTP searches	130	170	✔	150

620 **operations** were supported by Europol in the area of counter-terrorism, which more than doubles the target set for the year and represents an increase of 41% compared to the previous year. The same is true for the number of **operational reports** (922 CMR & hit notifications, 32 OAR and 883 other operational reports), totalling 1,837 when the target for the year was 850.

Satisfaction with operational support and analysis in the area of counterterrorism was rated at 8.0/10, slightly below the performance achieved in the previous year and well below the harmonised target of 8.5 set for all crime areas. It must be noted, however, that feedback was very limited and provided by only 4 different investigators involved in 4 operational cases.

Operations Supported ECTC - 2018
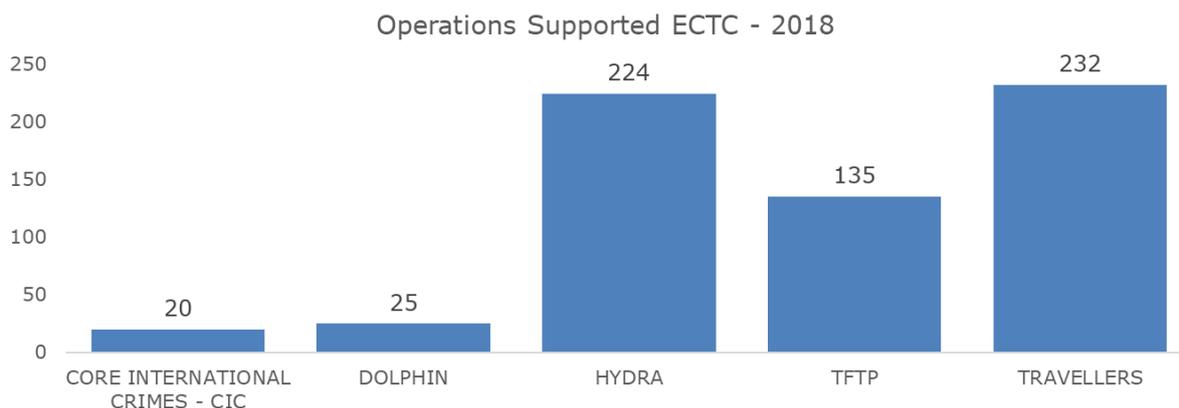
The number of **accepted contributions related to terrorism** in 2018 was 6,642 which is almost 8% higher than in the previous year but slightly below the set target at 7,000 contributions.

Operational Reports ECTC - 2018

	CHECK THE WEB	CIC	DOLPHIN	HYDRA	TFTP	TRAVELLERS
■ OTHER	336	5	9	114	357	62
▨ OAR	1	0	0	14	6	11
■ CMR+SHN	0	21	34	393	81	393
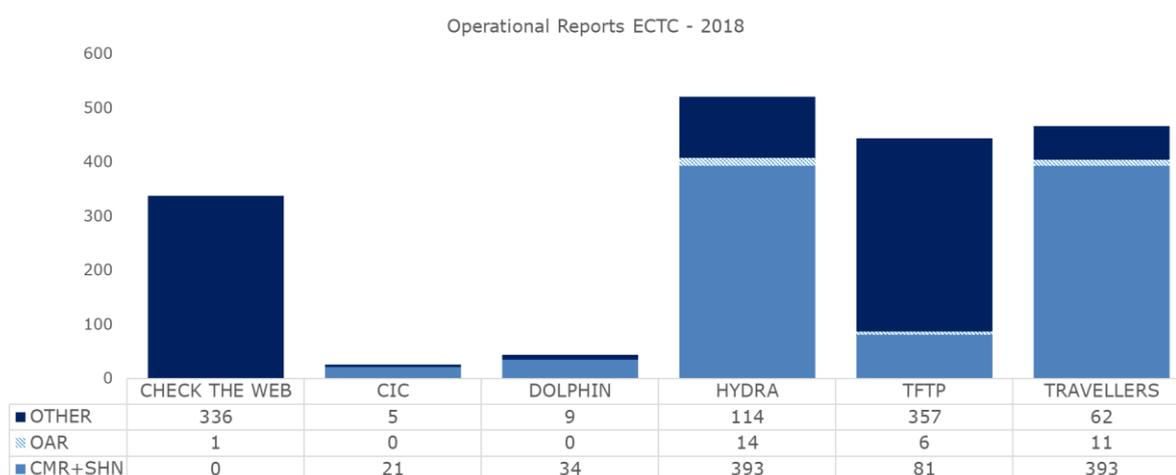
> ⚠ ***Work Programme Objective A.5.1 - Utilise opportunities to facilitate greater information exchange between Europol and MS' CT competent authorities, including national security services, and relevant EU information systems.***

The **use of SIENA by CT units** continued to grow and more than 55,000 messages were exchanged, well above the target of 40,000 and exceeding by 24% the number of messages exchanged in the previous year. A total of 47 CT units (MS+TP) were configured to SIENA and, on average, 22% of the messages were shared with Europol. No additional CT units were connected to SIENA. In the fourth quarter, Austria was the first country to be connected to SIENA at **EU confidential** level and 7 other countries successfully completed connectivity tests. **ISF funding** to upgrade the connection to EU Confidential was requested, with Ireland leading the project and 10 other MS applying for funds.

Regarding the **use of EIS by CT** units, the EIS contained more than 666,000 objects related to terrorism at the end of 2018, with 19 MS and 14 TPs contributing to it. Of these, 63,353 objects were person objects related to terrorism. 2,085 CBCC were found on CT related persons. No progress was made in terms of installing additional dataloaders or connecting CT units to EIS.

As agreed at the JHA Council meeting of 18 November 2016, Europol committed to identify opportunities to undertake joint actions with the **Counter Terrorism Group** (CTG). In this respect, Europol hosted two table top exercises, involving the CTG, and Europol's ECTC, EMSC and the EU IRU with a focus on enhancing overall cooperation and, more particularly, on the methodology for strategic analysis. Europol participated in the CTG Heads of Service meetings

in April and October and delivered a presentation on women and children joining ISIS, focusing on their use of internet and social media for terrorist-related purposes.

Europol continued to **build up CBRN**[33] **expertise** to support law enforcement authorities, in line with the Commission's Action Plan on CBRN. Europol's CBRN & Explosives team was involved in many activities such as:

- Managing the EPE/EEODN[34] platform, with more than 550 registered users, to improve information exchange and coordinating the EEODN conference and training in Lisbon.
- Supporting EEODN ISF funded project for Estonia and delivering relevant training (e.g. underwater training in Austria)
- Supporting ISF funded project MITIREL and organising a practical exercise in Serbia.
- Conducted field tests in cooperation with the Portuguese Policia de Seguranca Publica (PSP)
- Supported DG HOME in the meeting of the CBRN Advisory Group and Chemical Detection Group.
- Cooperating with the ECDC[35] for delivering training on "cross-sectorial bio risk awareness and mitigation"
- Cooperating with the JRC in the joint study on "Innovative spray test to support TATP[36] detection"
- Supporting the on-going investigation on a car explosion incident in Malta, including post-blast examination report and testimony in court.
- Participating in the EU-US Explosives Expert Seminar.
- Maintaining and updating the EPE/EBDS[37], accounting for 12 registered users.

In order to enhance **cooperation with third countries**, particularly the **MENA region**, Europol continued to develop outreach through close cooperation with the EEAS (e.g. participation in the EU-MENA Workshop in Lebanon, meeting with Arab Ministers of Interior in Tunisia, meeting with High level Iraqi delegations in Brussels, EU-Algeria CT dialogue, briefing in Jordan and Ankara on the links between organised crime and terrorism, United Nations Office on Drugs and Crime (UNODC) meeting in Egypt, etc.). Regarding the **Western Balkans** (WB) region, the ECTC continued updating and sharing information on the list of Foreign Terrorist Fighters (FTF) from WB countries. A total of 12 TP CT units were configured to SIENA and more than 20,000 SIENA messages were exchanged by these units. 14 TPs contributed to terrorism related objects in the EIS.

> ✅ *Work Programme Objective A.5.2 - Accelerate the development of Europol's capabilities to provide better and extended operational support to Member States' counter-terrorism investigations.*

The ECTC's commitment to provide faster **reply to CT requests** did not materialise as expected and, on average, it took 22.4 days to get a first-line reply. At the end of the year, there were 565 contributions pending processing.

Concerning the **secondary security checks in the hotspots** in Italy and Greece, 13,463 man-days were deployed to 13 active stations with 1,559 referrals for checks received (7,118 persons, 1,700 documents, 20,261 communication means), resulting in 381 hits. The action plan to address the recommendations from the **Guest Officer Concept evaluation** was presented to the MB in May and implementation continued as planned. Pilot awareness sessions for national

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[33] Chemical, Biological, Radiological, Nuclear
[34] European Explosive Ordnance Disposal Network
[35] European Centre for Disease Prevention and Control
[36] Triacetone Triperoxide
[37] European Union Bomb Data System

contact points were organised at the end of the year and further sessions were expected for 2019.

The ECTC participated in the EU HEX-ML exercise in Brussels, taking place in November 2018. This high level **EU Crisis management exercise** involved several EU bodies and institutions (EU Commission, EU Council SG, EEAS, CSDP) and EU Agencies (Frontex, Europol, ENISA, etc.) as well as NATO[38] with the main objective to test the EU integral response to hybrid threats.

Europol hosted several workshops under the **Counter Terrorism Programme Board** (CTPB) strands of action (on chemical pre-cursors, on emerging technology & innovation and on online CT investigations) and hosted the two CTPB plenary meetings, at which driver countries reported progress on the implementation of the different actions and engaged in new prioritised areas of work. Also, the Heads of CT meeting was hosted at Europol in November, following the CTPB Plenary meeting.

AP Core International Crimes (AP CIC) was established at the end of the second quarter and, at the end of 2018, 18 MS and 5 TPs were associated to it. Additional associations were envisaged in the near future (e.g. Norway). AP CIC continued its engagement with the private sector and international organisations to explore ways to enhance cooperation and information exchange. AP CIC received a total of 219 operational contributions and supported 20 operational cases, delivering 26 operational reports during the 2018. The annual AP CIC meeting was held in October.

An **agreement between Europol and ATLAS** was reached regarding the terms of reference (ToR) for cooperation. The text was sent to the ATLAS Commanders, HENUs, MB and the EU Commission for revision, and the ToR for cooperation were signed in the fourth quarter of 2018.

> ⚠️ *Work Programme Objective A.5.3 - Further strengthen the internet referral capabilities of the European Counter-Terrorism Centre and continue expanding their scope.*

The **EU IRU** assessed a total of 39,005 **contents related to terrorism and violent extremism**, which is well above the target for 2018, set at 22,500 contents. Most of the decisions for referral (80%) were made in the second half of the year. The EU IRU made the decision to refer 97% of the content assessed (exceeding the target) but only 74% of the referrals were successfully removed by the Online Service Providers (OSP), which is below the performance achieved in the previous year. It must be noted that this % is not completely accurate since the checks are performed on only 50 out of 205 platforms (a unique automated checking tool has to be developed for each of the platforms given that the continuous increase in the number of referrals makes it impossible to manually check the status of the referred URLs). Due to lack of resources, only the major and more stable platforms could be therefore systematically monitored; lack of resources was also the reason that the scope of the EU IRU's activities could not be expanded to other crime areas.

The EU IRU not only referred content but also produced 336 **operational reports**, 64 **strategic and thematic analysis reports** and supported 44 **operations**. The EU IRU organised five **Referral Action Days**.

The EU IRU participated in the **EU Internet Forum** Senior Officials meetings in February and May and provided relevant contents to feed the **database of hashes**. The referral information from the different OSP was presented and the **EU Referral Platform** was put forward as the solution for improved referral, both for MS and OSP.

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[38] North Atlantic Treaty Organization

Regarding the development of the **IRMa solution**, work continued to address the technical debt and stability problems but the platform was deployed to production early in 2018. Implementation of pending recommendations related to data protection and the new Europol regulation were completed before plan. However, the migration of the **Check-the-Web** (CtW) solution was not finalised in 2018 and decommissioning was delayed to 2019, as agreed by the Project Board.

The **SIRIUS** Conference, in conjunction with a codefest to produce technical tools, was organised in November with more than 200 participants. Two additional tools were uploaded to the SIRIUS EPE platform which, at the end of 2018, accounted for 21 tools to respond to hurdles identified by law enforcement when conducting internet-based investigations. The implementation of the SIRIUS platform was notably delayed compared to the expected timeline due to lack of resources. At the end of year, the SIRIUS platform had more than 1,500 registered users.

The EU IRU participated in the annual High Level Conference of EU **Radicalisation Awareness Network** (RAN), established to counter violent extremist initiative in the EU MS and TP by developing knowledge and best practice. The EU IRU also participated in the RAN POL Conference in March and delivered presentations on its services, online propaganda and the SIRIUS project.

The EU IRU was represented also in a mission coordinated by the Commission to Silicon Valley where the delegation met with OSP and discussed pending issues regarding the removal of terrorist online content. The EU IRU also contributed to an Impact Assessment, arranged by the Commission, exploring potential legislative measures around online terrorist content.

> ✅ ***Work Programme Objective A.5.4 - Increase financial intelligence capabilities related to terrorism including beyond the framework of the TFTP.***

During 2018, a total of 170 requests were made by the EU MS according to **article 10 of the TFTP** while only 12 were made by the US according to article 4. During this period, there were a total of 30 spontaneous provisions of information by the US, according to article 9 TFTP.

The biannual meeting with the US counterparts to **review the TFTP agreement** took place in June and the new joint review (according to article 13 TFTP) is expected in Q1 2019, at Europol's headquarters. A feasibility study regarding the establishment of an EU system for tracking of terrorist financing (TFTS) was produced by DG HOME and Europol's position paper on the matter, issued in 2017, was duly taken into account.

Europol's TFTP function joined the **Europol Financial Intelligence Public-Private Partnership** (EFIPPP), which is an initiative launched by Europol at the end of 2017 and constitutes the first transnational financial information sharing mechanism in the field of anti-money laundering and counter-terrorist financing. Members of the EFIPPP (13 major banks, 6 EU MS, US and Switzerland) started sharing strategic financial intelligence to build a common intelligence picture and understanding of the threats and risks.

Europol continued its **support to CT investigations related to alternative banking systems**. For instance, expertise in **hawala** was provided to investigations where huge amounts of money was being transferred within and outside the EU and the Middle East. Operational analysis performed triggered investigations and arrests of prominent hawaladars with alleged connection to terrorist financing. Also in this respect, contacts with Gulf countries started in order to tackle issues with alternative banking systems and more specifically hawala.

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

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
Number of strategic analysis reports	44	86	✔	40
Number of thematic analysis reports	250	279	✔	250
Number of Action Days	113	198	✔	75
Number of Joint Action days	7	8	✔	8
Operations supported with financial intelligence products/services	100	154	✔	80
Number of operational reports related to financial intelligence	484	1,033	✔	400
Satisfaction with operational support and analysis in the area of financial intelligence	8.2	8.6	✔	8.5

Europol supported in 2018 a total of 154 **operations** related to the provision of **financial intelligence products/services**. This compares to only 100 operations in the previous year and it is above the target set for the year 2018.

Horizontal Operational Services was, by far, the area with more days of **mobile office** deployment (10,767 days). This, mainly, had to do with the 30 permanent mobile offices deployed to the hotspots in Italy and Greece. In total, 58 mobile offices were deployed together with the teams in this area.

In 2018, 5,062 contributions were accepted by the APs in the financial intelligence group. In total, 1,033 **operational reports** were produced related to Financial Intelligence when only 484 were produced in the same period the previous year. Additionally, 279 **thematic analysis reports** and 86 **strategic analysis reports** were produced by Europol, both figures well above the targets set for 2018.

The **satisfaction with the operational support and analysis** in the area of financial intelligence was 8.6, just above the target of 8.5. Feedback was provided by 20 investigators involved in 17 operational cases. Satisfaction with operational and strategic analysis provided for all crime areas was rated 8.9 and 8.8 respectively.

Europol organised and coordinated 152 **training activities**, which include workshops, classroom training, webinars and other types of training, to around 1,400 participants from MS and TPs. Evaluation of the satisfaction with these training activities still remains limited and only 19 of these courses were evaluated in 2018 (compared to 3 in 2017), with an average satisfaction of 8.6.

Regarding the **EU Most Wanted List**, all the pending improvements to the website were implemented and additional pages have been translated to all EU languages. 28 new fugitives were added to the website and 5 arrested following leads from the list. The average number of unique visitors per day was around 1,650 in 2018, with a peak in Q3 following the Europe's Most Wanted Cup media campaign.

The annual review of the **High Risk Informant Database** (HRIDB) was performed in 2018, including the revision of codes, new functionalities for storing and cross-matching and data retention. The inclusion of a project to replace the obsolete software in the ICT Work Plan 2019 was discussed.

Europol continued support to **JIT**s, particularly by developing with CEPOL different training courses (e.g. JIT Online training module), participating at the JIT National Expert meeting hosted by Eurojust and by systematically monitoring mechanisms to avoid double funding of JITs.

> ⚠️ **_Work Programme Objective A.6.1 - Strengthen Europol's capabilities to handle and analyse large volumes of data._**

In order to prepare Europol for the **handling of large volumes of data**, several ICT initiatives were on-going as part of the ICT work plan. This included the value streams on search and cross-check, the management of inflows of data, the development of a case management tool and operational collaboration. The first value stream was completed (draft report finalised in Q3) while for the second value stream work already started in the third quarter. It is expected that progress on the other value streams will be achieved in 2019. Also linked to the handling of large volumes of data, Europol coordinated a consortium that prepared and submitted the application for the H2020 project – project ADA for Big Data analysis.

Europol also developed in-house-built **machine learning solutions** to assist in the management of large volumes of data. Some of the functionalities of these solutions include assistance in the process of accepting/rejecting messages and entity extraction. Some users participated in a pilot project and full deployment of the solution was postponed to 2019.

Europol's analytical guidelines were being updated (in the form of a new AP manual replacing the former AWF[39] manual) and relevant **training** (Operational Intelligence Analysis Training) was delivered to analysts.

Due to budget and resource constraints, the organisation of regular meetings with MS and a cooperation forum to establish **best practices on intelligence and analysis** had to be cancelled. The envisaged Analysis Conference to be held at Europol did not take place for the same reasons.

> ✅ **_Work Programme Objective A.6.2 - Optimise Europol's support including the new financial mechanism for the implementation of MS' actions within the EMPACT framework._**

The grant agreements for the 2015 and 2016 OAPs under the Delegation Agreement were closed in Q3 and final payments and recovery orders were issued. The report monitoring the **implementation of the 2017 OAPs** was submitted to the MS and Agencies in April and, subsequently, presented at the NEC meeting and to COSI. The implementation reports of **grants under the Delegation Agreement** were being evaluated and, due to the late submission of reports by the MS, Europol had to request an extension of the deadline to the Commission but managed to submit the final report in Q4.

Regarding the **new policy cycle 2018-2021**, the kick-off meetings for the OAPs took place early in Q1 and numerous EMPACT and strategic meetings were organised and financially supported by Europol. New templates and guidelines for reporting were drafted by Europol and sent to the drivers for the first reporting cycle which took place in the third quarter. A platform on the OPS EPE was established for a pilot project to report OAP progress. The first OAP 2018 implementation report was presented at the NEC meeting in November and the Council Presidency drafted a number of recommendations to be followed-up. Four drafting meetings for the OAP 2019 were organised in September.

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[39] Analysis Work Files

A planning meeting for the **EMPACT JAD**[40] **2018** was organised in Q1 and a second preparatory meeting took place in the second quarter, attended by the action leaders, Frontex and Eurojust. The large scale EMPACT JAD were conducted in September and the Europol Coordination Centre was set-up in the operational rooms. All 28 MS participated in the JADs and 42 operational actions were coordinated in their course of action. The final operational outcomes and figures were collected and reported to the different stakeholders. Additionally, Europol supported a total of 198 action days during 2018.

The **new funding mechanism for EMPACT** under the Europol Regulation was evaluated and the findings were presented to COSI at the end of 2017. Based on the findings, COSI provided guidance for the 2018 grant funding framework. A working group (WG) was established and workshops were organised. The funding mechanism was adjusted following the recommendation of the WG and Europol's proposal was approved by the MS at COSI. The 2019 call for proposals was launched according to the initial plan (October) with a deadline for application at the end of November. At the end of 2018, 14 applications had been received for a total of € 2.76M.

> ✅ ***Work Programme Objective A.6.3 - Increase the provision of comprehensive financial intelligence to MS regarding money laundering and asset recovery, including possible links to other criminal areas.***

The Financial Intelligence group actively supported high priority investigations from the ESOCC, EC3 and the ECTC for which **incorporating the financial intelligence component** added value to the operational results. Analysts from these teams attended and supported several operational and strategic meetings from other crime areas. In this respect and to increase mutual cooperation, a **service level agreement with the ESOCC and the ECTC** was drafted and signed (e.g. financial intelligence group processing financial contributions for HVT cases in the ESOCC, delivering training on financial intelligence, etc.)

An **EMPACT pilot project to match financial and criminal data** was launched in the first quarter and a subsequent evaluation report was produced and distributed in Q3. Eight AP contributed their HVT to the pilot project and were inserted in three types of ma3tch agents. These filters were shared with the MS and the hits were followed-up. Among the areas of improvement, it was suggested to set up a more standardised process to better handle FIUs requests towards APs and inversely. Europol delivered two presentations in the context of the FIU.net AG in September and operational cooperation with AP Cannabis was further pursued in Q4.

In terms of **cooperation with the FIUs**, progress was made regarding the use of ma3tch and the XBD/XBR[41]. The XBD functionality was deployed in April and some MS started to send XBD in an automated way. Technical issues (high volumes of data and large reports) with the XBR were identified by MS, particularly FIU Luxembourg being its main user. A proposal to solve these issues was prepared by the SBC/SBR WG at its meeting in October and Europol will assess this proposal in order to make the necessary adjustments. 17,684 FIU-FIU requests (90,372 XBD and 1,432 XBR) were exchanged via FIU.net but only 24 FIU-Europol request were processed via FIU.net. In this respect, awareness should be further raised among MS FIUs. A total of three TFTP requests were received by FIUs via FIU.net, one of them resulting in 2,200 financial leads.

Regarding the **FIU.net**, questions on data protection were brought to the attention of the EDPS. A new Roadmap was endorsed by the FIUs AG and Europol in Q3, pending a formal position on the data protection questions raised. Once the new Roadmap is approved, it should feed into the 2019 ICT Work plan.

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[40] Joint Action Days
[41] Cross-border dissemination (XBD) and cross-border reporting (XBR)

In order to **raise awareness regarding money laundering and asset recovery**, 34 events (including conferences, expert meetings and workshops) were organised in the first semester.

> ✅ ***Work Programme Objective A.6.4 - Build up Europol's capabilities in the area of travel intelligence.***

Europol established a dedicated capability (**travel intelligence team**) for the use of travel-related information and intelligence stemming from PNR, API[42] and, in the future, ETIAS. A corporate process description for travel intelligence was drafted and approved and Europol started preparing a process for establishing travel intelligence watch lists.

A vision[43] document on the use of information concerning the suspicious movements of persons and goods was drafted (following two workshops) and circulated to the HENUs and the PIUs. This document was used as the basis for the **roadmap and blueprint on travel intelligence** that was prepared and amended following consultation with the internal and external stakeholders. This package of documents was presented to the HENUs in Q3, at the October IWG[44]-PNR and at the Europol-Frontex MB meeting in October, being endorsed at the Europol MB meeting in December. It is expected that implementation will take shape gradually in partnership with other Agencies, MS and EU Commission while ensuring alignment with the Interoperability Programme.

At the end of 2018, 20 **PIUs were configured to SIENA**, reflecting the intention to use SIENA for operational information exchange related to travel intelligence. **Operational pilots** of different nature were initiated with some PIUs and several **strategic reports** were shared with the PIUs. Work was performed towards the definition of targeting rules.

Due to the postponement of the migration of data from SOC to the new analysis tool, the focus shifted to fine-tuning the current analysis system to the **processing needs** for insertion and analysis of PNR data. In this respect, IATA[45] Airport codes were imported to the current analysis solution to ensure consistency between processing and analysis environments. Also, the data model within the analysis solution was assessed and mapped against PNR data.

Europol's travel intelligence team collaborated with CEPOL and reviewed the contents of the **e-learning material on PNR**. The team also attended two events focusing on the development of training materials on the subject and supported the Hungarian-led initiative to produce a PNR Training Strategy, which was endorsed in Q4. It was agreed that a training coordinator group at EU level for PNR matters should be established and Europol will be part of this group.

Finally, to ensure that activities of the **different actors involved** (Commission, Frontex, eu-LISA) are aligned, Europol attended several meetings (e.g. Advanced Information WG, visit to eu-LISA, visit to DG Taxud on advanced cargo information and interoperability, CRRS[46], visit to Frontex to discuss the European Targeting Centre concept paper, etc.) At this stage, the alignment discussions were mainly focused on the implementation of the legal instruments.

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[42] Advanced Passenger Information
[43] Formally called "The vision on the use of information concerning the suspicious movements of persons and goods"
[44] Informal Working Group
[45] International Air Transport Association
[46] Central Repository for Reporting and Statistics

> ⚠️ **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*

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
Administrative ICT project delivery	78.0%	76.0%	✔️	75.0%
Uptime of administrative systems	98.8%	98.8%	✔️	98.0%
Commitment Rate Europol Budget	99.8%	99.9%	✔️	95.0%
Payment Rate Europol Budget	89.0%	86.9%	❌	90.0%
Budget Outturn rate	0.9%	0.8%	✔️	2.0%
% Late Payments	21%	21%	❌	5%
Vacancy rate	0.0%	0.5%	✔️	2.0%
Sickness rate	-	-	⚪	3.5%
Turnover rate	9.7%	8.7%	✔️	15.0%
% of pending critical/very important audit recommendations implemented within the agreed deadline with the auditing bodies	97%	86%	✔️	85%
% of Work Programme objectives implementation	80%	79%	❌	80%
% Staff Engagement (via Staff Survey)	63%	63%	✔️	55%

Regarding the **delivery of non-core business projects** by ICT, 76% of the re-planned milestones were achieved, which is slightly above the set target of 75% but also slightly below the previous year's performance. Non-operational systems were up and running 98.8% of the time, which means the target of 98.0% was achieved.

More detailed information on **budget implementation** can be found in section 2.2 of this report. In general terms, the implementation of Europol's budget was above the set target regarding budget commitments but below the target and the previous year's performance when it comes to payments. This was mainly due to the amending budget for the decryption platform. The amount of late payments continued to be well above the threshold of 5%, although in terms of value they only represented 3.8% of the total payments.

The **vacancy rate** at the end of 2018 was 0.5%, which is below the target ceiling of 2%. The **sick leave** rate could not be provided due to a recurrent problem in the system which the outsourced medical service uses to register all the sick leaves. Actions towards the envisaged (long-term) solution to address this issue were already initiated in 2018. The **turnover rate** was 8.7%, below the previous year's 9.7% and well below the target ceiling of 15.0%.

As for the implementation of the *critical* or *very important* **audit recommendations,** the situation at the end of 2018 can be summarised as follows:

- No critical or very important audit recommendations issued by the **ECA**, the **IAS** or the **Ombudsman** were pending.

- Concerning the audit recommendations issued by the **IAC,** 24 out of the 28 (86%) recommendations planned for implementation during the year were successfully implemented. This highlights the commitment of the teams across the organisation to maintaining effective governance arrangements and efficient processes.

Europol launched the **Staff Survey** in Q4 2017 with higher levels of engagement (from 55% to 63%) and participation (from 49% to 70%) compared to the 2014 survey. The external contractor delivered in Q3 2018 a benchmarking report and best guide practice, comparing Europol's results with other EU Agencies (5th out 13 in terms of staff engagement), international organisations and private sector.

Work continued to further align Europol's **archiving of official documents** with the EU Archive regulation. Technical requirements for the set-up of a corporate archive were gathered and a gap analysis was performed to identify different practices (current Dutch law and international standards). A draft inventory of historical files was produced.

Additionally, the new **Europol Internal Control Framework** and **model declaration of interests for Management Board representatives** were adopted by the Management Board in 2018. Progress was made in the implementation of the pending actions deriving from the **Anti-Fraud Strategy**.

In 2018, the whole organisation was migrated into a new and upgraded Operating System.

> ✅ ***Work Programme Objective A.7.1 - Continue optimising Europol's corporate processes.***

A mid-term review of **Europol's Strategy** 2016-2020 was conducted in 2018 and presented by the Executive Director at the MB meeting in December, together with a new Europol Strategy for the period beyond 2020 taking into account the priorities and needs gathered by the Executive Director in her visits to the different MS.

In April 2018 Europol successfully launched its first procedure by means of the Commission's **e-procurement solution**. Regarding the implementation of the action plan for the **IAS audit on procurement**, all the pending recommendations (6) were implemented by Q3 2018. Europol continued to improve efficiency and coordination of contract management and grants, by providing relevant legal support and training to different areas and teams, including the drafting of a new e-learning module on evaluation of tenders.

A new update in the **corporate risk log** was tabled at the Directorate meeting in 2018. The requirements for the new corporate risk management tool were collected and resulted in a different tool selection than originally foreseen. Implementation is expected in 2019.

With regards to the implementation of an **Analytics Platform** to gather and monitor corporate performance information and provide business intelligence, work was done to draft the blueprint and design the infrastructure.

Europol plans to replace the current Document Management System (DMS) by an **Electronic Document and Record Management** (EDRM) platform. The architectural analysis for the future platform was completed in Q2 and the procurement of the new solution started already in Q4, following comprehensive market research. Requirements for the electronic workflows were gathered in Q4 and expected to be approved early in 2019.

Some progress was made in the implementation of **Sysper 2**, particularly with the organisational chart module (CAR), while the necessary data for the implementation of further modules was provided and training was received.

Europol is also committed to the further development of the [Activity Based Management](#) (ABM) principles as advocated by the Commission. In this respect, in-house training was organised on

the topic and the activity based management report on budget was first presented to Senior Management and Europol's Management Board. Detailed guidelines on the methodology were drafted and approved by the Senior Management and different IT tools were tested for suitability. The methodology was used for the planning of 2019 and 2020.

The MB signed in May 2018 the decision on the implementation of occasional **telework**, restricted to the non-operational network. The Remote Corporate Access solution was approved by the Security Committee and presented to the MB. The details of the process and the procurement of ICT equipment were still on-going and expected to be finalised in Q1 2019.

The Europol **Environmental Policy**, part of the EMAS implementation process, was signed by the Executive Director. An Environmental Management System and control mechanism will be developed and organisational objectives will be set in order to make the organisation more sustainable by reducing CO_2 emissions.

Given the proximity of the new **Eurojust** premises, Europol committed to establish **shared services** with the Agency. In this regard, Europol worked together with Eurojust in the implementation of EMAS[47] and agreed on the temporary use of a satellite building under Eurojust's perimeter until 2023. Due to the limited availability of meeting rooms in both buildings collaboration will be difficult to achieve in this respect.

A total of 68 **training courses** were organised in-house, in line with the training needs analysis, including more than 1,100 participants. A new version of the Internal Guidelines on Learning and Development together with a new version of the model decision on the framework for Learning and Development were submitted and approved by the Management Board in the last quarter of 2018.

The new **Guide to Missions and Authorised Travel** was successfully implemented, including the necessary adjustments in the online platform for mission authorisation.

> ❌ ***Work Programme Objective A.7.2 - Further rationalise the management and use of Europol's facilities including the building, and review and enhance the Business Continuity.***

In the context of the Strategic Housing Roadmap (SHR), the original planning for the **Mid-Term Housing Solution** envisaged for Europol was 2019-2020. During the preliminary design process several issues were identified (e.g. plank floor slabs, LON[48]) and these had an impact on the initially planned Mid-Term Housing Solution. An impact assessment was performed by the Host State and Europol and the design process was put on hold. Acknowledging that the current use of the building is 30% above its original designed capacity, a **Temporary Satellite Building** solution became of key importance to accommodate Europol's growth. The Host State, Eurojust and Europol agreed on the use of a Satellite Building in Eurojust's perimeter, with a capacity of around 150 workplaces. The Host State selected a contractor for the renovation of the building and will take care of the security perimeter. The handover process is scheduled in July 2019 and the operational use of the building is foreseen in Q4 2019. For the **Long-Term Housing Solution**, the Host State investigated different options in the vicinity of Europol's HQ for a **second permanent building**. In the meantime, the Strategic Vision for the Long-Term and Spatial Programme of Requirements were finalised in consultation with Senior Management.

The **Audio Visual (AV) upgrade** of all meeting rooms and Auditorium was completed. Upgrades in the interpreters' booths were performed in line with DG Interpretation's requirements and the applicable ISO standards. The AV control room will be finalised in Q1 2019. A new **room booking**

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[47] Eco-Management and Audit Scheme
[48] Local Operational Network, part of the Building Automation System of the building.

system was implemented in 2018 and resulted in important gains in efficiency (e.g. users can book rooms by themselves).

Europol's office in Brussels, located in the building of the EU Council, was made operational in May 2018 and two liaison officers were appointed.

Taking into account the outcome of the Directorate discussion on the **Business Continuity Risk and Impact Assessment** (BCRIA), reviewed and updated by the key stakeholders and presented to the security coordinator, the corporate **Business Impact Assessment** (BIA) had to be postponed to Q1 2019. The development of the business recovery and incident response plans, which are linked to the business continuity and disaster recovery strategies mentioned above, had to be postponed too.

Related to the Crisis Management capabilities, progress was made in order to launch a new platform for Critical Events and Mass Notification, expected for Q1 2019.

The set-up of the new ICT delivery model – **Software Factory** – conceived to allow the handling of a growing demand of ICT services could not be implemented as planned due to its dependency on the Information Risk Assessment, which was delayed.

The review of Europol's **fleet management** and the development of a Vehicle Fleet Strategy was postponed due to its relation to EMAS and the Commission Framework Contract[49].

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

PERFORMANCE INDICATORS	END 2017	2018		TARGET END 2018
% Satisfaction with Europol's image (via User Survey)	77.8%	81.0%	✔	77.8%
Appearance of Europol in the media	138,000	103,509	✘	175,000

The 2018 **User Survey**, launched in October with the support of an external contractor, was addressed to more than 1,000 users with a participation rate of 54%. The results of the survey were presented to the Senior Management and MB in Q1 2019 and confirmed high levels of user satisfaction with Europol as an organisation and with the products and services delivered. The user satisfaction with Europol's image received an average score of 81 points out of 100.

Europol's **appearance in the media** decreased by 25% compared to the previous year and was well below the target. With around 17,000 new Twitter followers in 2018, Europol accounts for a total of 79,000 followers in this platform, compared to 62,000 followers at the end of June the previous year.

> ✅ *Work Programme Objective A.7.3 - Further promote Europol's work and contribution in building an effective EU Security Union.*

In order to seize more opportunities to pro-actively **publicise the value added of EU police cooperation** and Europol's key role in developing the EU Security Union a joint strategy to promote the EU Policy Cycle was drafted together with MS representatives and was adopted by NEC and COSI. Following the evaluation of the media outreach in the MS and in line with the newly defined stakeholder map, the MS country contacts were updated and proactive outreach was initiated.

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[49] LOT 1: Travel Agency services in connection with missions and authorised travel

The 2018 edition of the **European Police Chiefs Convention** (EPCC) was successfully organised and held at Europol's headquarters in September, taking into account the feedback received from the participants in the 2017 edition.

Europol also evaluated its **presence in social media** and a paper on future trends was presented as part of the overall communication strategy aiming to achieve new methods of client engagement. Several workshops were organised, the outcomes of which will form the basis for the new social media approach to be implemented in 2019. A new social media monitoring tool was selected after a thorough test of different market solutions.

The **online publications** were implemented according to plan, taking into account full digitalisation: reports, leaflets and other publications and visuals were delivered in digital format. Several flagship products, such as the TE-SAT[50] or iOCTA[51] were produced and made available on Europol's website. Regarding the **corporate website**, due to budget restrictions, its upgrade was delayed.

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[50] EU Terrorism Situation and Trend Report
[51] Internet Organised Crime Threat Assessment

Part II. Management

2.1. Management Board

The Management Board (MB) constitutes, along with the Executive Director, the administrative and management structure of Europol in accordance with Article 9 of the Europol Regulation. It is the **Agency'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 Regulation (ER). It comprises one representative of each Member State and one of the European Commission. As a rule, it takes decisions by simple majority, with each member having one vote.

During 2018 the MB met four times while its Working Group on Corporate Matters (WGCM) held four meetings and its Working Group on ICT, which from May 2018 evolved into a **Working Group on Information Management** (WGIM), held three meetings of which two under the new format. The MB Complaints Committee, established by the MB in 2017 to address the complaints lodged by persons to whom the EUSR apply in view of acts of the Executive Director affecting them adversely, met on one occasion to review one case.

With the referred evolution of the WG ICT into the WGIM, the MB aimed at achieving a more coherent approach and improved coordination between Member States' competent authorities and Europol. Such an evolution was dictated by the need to continuously update and improve Europol's core systems to maximise their efficiency, along with the need to prepare for interoperability not only across Europol's systems but in respect of existing EU systems in the JHA area and those being currently developed.

On 4 October 2018, the 1st **Joint meeting of the Frontex and Europol MBs** was held at Europol's Headquarters. The two Agencies presented key examples of joint activities, such as Europol/Frontex deployments at hotspots, joint action days, and common activities developed in the context of the European Multidisciplinary Platform against Criminal Threats (EMPACT). The two MBs discussed concrete options in order to develop further synergies as part of a coordinated response to the continuous migration challenges and to growing security threats. A statement of principles for cooperation, agreed by the Agencies' Executive Directors, was submitted to the European Parliament, the Council and the Commission following the joint meeting.

In the context of the scrutiny of Europol's activities by the European Parliament together with national parliaments, the MB Chairperson participated in two meetings of the **Joint Parliamentary Scrutiny Group (JPSG)** held in Sofia and Brussels, respectively on 18-19 March and on 24-25 September 2018, where he addressed the JPSG and replied to the questions received from the Group. With a view to establishing a constructive and fruitful relationship with the JPSG, a key partner in ensuring and continuously strengthening Europol's democratic legitimacy and accountability to the Union's citizens, the MB discussed throughout 2018 the practical implementation of Article 14(4) of the ER and, in October, agreed to invite the JPSG representative to attend two MB meetings per year, namely one MB meeting per semester under the auspices of the respective EU Presidency, concerning items for which the JPSG opinion was deemed relevant to the MB discussions. Mr Tsvetan Tsvetanov, Chairman of the Committee on Internal Security and Public Order of the national Assembly of the Republic of Bulgaria and JPSG representative before the MB, was subsequently invited to attend relevant items of the 13-14 December 2018 MB meeting in Vienna.

The activities of the MB in 2018 can be summarised through a reference to the main issues discussed and the decisions taken, either in plenary or through written procedures. Grouped by meetings, they are presented in Annex V.

2.2. Budgetary and Financial management

2.2.1. Revenue

The Europol budget 2018, amounting to **€ 122.2M**, was adopted by the Management Board in December 2017. One **budget amendment**, amounting to **€ 8M**, was made with a view to ensuring the continuation of security checks at hotspots (€ 3M) and to build up a decryption platform (€ 5M) in close cooperation with the Joint Research Centre.

The budget for **external assigned revenue** was amended as a result of four different agreements. This concerned a total amount of € 6.5M, of which € 4.9M was cashed in 2018:

- **Western Balkans**: grant agreement with the European Commission (DG NEAR[52]) to implement a pilot project to deploy Europol Liaison Officers in the Western Balkans in order to improve the security in the EU and the Western Balkans by reinforcing cooperation against organised crime and terrorism. The total grant agreement amounts to € 2M, out of which € 983K was cashed in 2018.
- **SIRIUS**: grant agreement with the European Commission (FPI[53]) for an action entitled "international digital cooperation – cross border access to electronic evidence". The total grant agreement amounts to € 1M, out of which € 366K was cashed in 2018.
- **EUIPO**: A new grant agreement between EUIPO and Europol was signed in December 2018 to ensure the continuation of financing actions carried out under the Agreement on strategic co-operation between the two entities. The Intellectual Property Crime Coordinated Coalition (IPC3) uses the new grant amounting to € 1M to implement the activities related to online infringements of intellectual property rights and online financial payment systems.
- **Denmark**: The Kingdom of Denmark and Europol signed an agreement in April 2017 following the new Europol Regulation, which Denmark did not ratify. The Danish financial contribution to Europol for the budget year 2018 came to € 2.5M.

In addition, € 1.2M previously paid out as pre-financing to Member States was reimbursed to Europol as part of external assigned revenue related to a delegation agreement for EMPACT.

During the year 2018, an amount of € 733K was cashed as internal assigned revenue. This revenue was linked to expenditure budget items where it will be used for future expenditure in the budgetary year 2019. Outstanding recovery orders amounting to € 427K were carried forward to 2019 for future cashing.

The outstanding amount for subsidies and grants established in 2018 amounting to € 497K relates to open recovery orders issued to the Member States for the final recovery of the not-used grants under the delegation agreement.

The next table shows the overview of the revenue at the end of the year:

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[52] Directorate-General Neighbourhood and Enlargement Negotiations
[53] Service for Foreign Policy Instruments

Heading	Published budget	Established Revenue	Cashed Revenue	Outstanding amount
Regular subsidy from the Community	128,448,520	128,448,520	128,448,520	-
Subsidy for European School	1,797,000	1,797,000	1,797,000	-
Other internal generated revenue carried over from previous year		241,601	241,601	-
Other internal generated revenue established in the current year		917,917	491,010	426,908
Other subsidies and grants carried over from previous year		246	246	-
Other subsidies and grants established in the current year	4,015,000	4,017,630	3,520,924	496,706
Contribution Denmark	2,491,501	2,491,501	2,491,501	-
Other revenue established in the current year		1,474	1,474	-
Total revenue	**136,752,021**	**137,915,889**	**136,992,275**	**923,614**

The cash balance, excluding the Europol Pension Fund surplus of € 3.1M, was € 22M at the end of December 2018.

2.2.2. Expenditure

The commitment implementation rate at the end of December, including non- automatic carry over, was 99.9% which is higher than the previous year (99.7%) On the other hand, the payment rate was 86.9% which is lower than the previous year (89%).

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

Title	Budget (a)	Commitments (b)	Payments (c)	Comm Rate (b/a)	Paym Rate (c/a)
T1 – STAFF	80,974,455	80,953,876	80,147,231	100.0%	99.0%
T2 - OTHER ADMINISTRATIVE EXPENDITURE	10,826,923	10,819,001	7,840,312	99.9%	72.4%
T3 - OPERATIONAL ACTIVITIES	38,444,142	38,394,156	25,226,151	99.9%	65.6%
Total	**130,245,520**	**130,167,032**	**113,213,694**	**99.9%**	**86.9%**

Title 1 – Staff related expenditure

The Final Budget under Title 1 amounted to € 81.0M with an implementation rate of 100% for commitments and 99% for payments. A large part of the amending budget, resulting from the agreement with Denmark was used to cover salary expenditure.

A number of transfers from other budget items (amounting to € 2.2M) were made to Title 1 to cover the higher costs due to the retroactive salary increase (+1.7%) and the increase of the weighting coefficient for The Netherlands from 108.3% to 109.9%.

The budget was fully committed and 1% of the budget under Title 1 was carried forward to 2019, mainly for staff related expenditure (e.g. recruitments, medical and training expenses) and expenditure relating to facilities (e.g. catering, removal services, audio-visual support and consultancy services).

Title 2 – Other administrative expenditure

The Final Budget under Title 2 amounted to € 10.8M with an implementation rate of 99.9% for commitments and 72.4% for payments.

The payment implementation for building-related expenditure is normally slower as it requires the involvement of (sub-)contractors before the Host State can issue invoices.

Commitments carried forward relate to on-going running expenditure (facilities, network and telecommunication, software maintenance and consultancy services, governance and statutory expenditure) for which final payments will be executed in 2019.

During the year, the budget under Title 2 decreased by € 2M, mainly due to delays in the implementation of the Strategic Housing Roadmap activities for unexpected developments that negatively impacted planned activities. The budget was almost fully committed while € 3M were carried forward to 2019, representing 27.5% of the budget under Title 2.

Title 3 – Operational activities

The Final Budget under Title 3 amounted to € 38.4M with a commitment rate of 99.9%, excluding the amending budget of € 5M for the decryption platform. Considering this amending budget, the overall commitment rate under Title 3 came to 86.9% and to 65.6% for payments.

The budget under Title 3 was also amended by € 3M for the continuation of secondary security checks at hotspots. In addition, the budget under Title 3 was re-enforced during the year with € 425K by transfers from Title 2.

An overall amount of € 13.2M was carried forward to 2019, including € 5M relating to the decryption platform for which commitments can be taken until 31 March 2019, while the remainder of € 8.2M is automatically carried forward. Overall, the amount carried forward represented 34.3% of the budget under Title 3. Out of the carried forward amount, 38% relates to the Decryption Platform, 47.2% to the operational information and telecommunication costs and the remaining 14.8% to other operational activities.

2.2.3. Budget Implementation of assigned revenue and expenditure

C4 – Internal assigned revenue cashed in 2018: during the year 2018, an overall amount of € 733K was established and cashed. An amount of € 4.4K was implemented and the remaining € 728K carried forward and will be implemented in 2019.

C5 – Internal assigned revenue carried over: appropriations carried forward from 2017 amounted to € 294K. An amount of € 40.8K was committed but not paid. This was carried forward and will be implemented in 2019.

R0 – External assigned revenue: it came to € 12.2M and a total amount of € 8.4M was carried forward to 2019. Of this amount, € 2.2M was already committed.

- € 3.3M was carried forward from 2017 for the further implementation of the Europol Pension Fund surplus after the Fund's closure. € 148K was paid and the remainder amounting to € 3.1M was carried forward to 2019.
- € 1.9M was carried forward from 2017 for a Delegation Agreement that entrusted Europol with support tasks during part of the EMPACT policy cycle 2015-2018. An amount of € 1.2M previously paid out as pre-financing to Member States was reimbursed to Europol. By the end of 2018, € 208K was paid and € 2.9M was carried forward to 2019 for the final closure of the delegation agreement. Europol expects to receive a recovery order for € 3.4M from the European Commission to return the unspent balance of the pre-financing.
- An amount of € 23K for the grant for security checks at hotspots was carried forward from 2017 to 2018 and fully implemented.
- SIRIUS: an amount of € 366K was cashed for the new grant agreement to support an action on international digital cooperation – cross border access to electronic evidence. An amount of € 245K was carried forward for implementation in 2019.

- WB: In 2018 a new grant to implement a pilot project to deploy Europol Liaison Officers in the Western Balkans was awarded and € 983K cashed, out of which € 934K was carried forward for implementation in 2019.
- EUIPO: € 954K was carried forward from previous grant agreements and € 1M was cashed for a new grant agreement signed in 2018. An amount of € 1.2M was carried forward for implementation in 2019.
- Following the agreement between Europol and Denmark, a contribution amounting to € 2.5M was received in 2018. The full amount was used to cover for basic salaries (€ 1.3M) and operational purchase and maintenance of hardware and software (€ 1.2M).

2.2.4. Implementation of carry forward from 2017 to 2018

The carry forward from 2017 to 2018 came to a total of € 12.3M to cover existing commitments. The final implementation rate of the carry forward was 91.6%, compared to 90.9% in 2017. A total of € 1M was not used and is incorporated in the final budget outturn.

- € 204K relates to Title 1, which is 27% of the carried forward under Title 1.
- € 110K relates to Title 2, which is 4% of the carried forward under Title 2.
- € 715K relates to Title 3, which is 8% of the carried forward under Title 3.

2.2.5. Budget Outturn

The overall budget result for the financial year 2018 came to € 1.1M. This includes the following:

- An amount of € 78K of the 2018 budget was not committed and lapsed.
- An amount of € 1M of appropriations carried forward from 2017 to 2018 was not used.
- The exchange rate difference was -€ 1.6K (loss).

2.2.6. Budget Transfers

Throughout the year, a total of 39 transfers (25 less than in 2017) were made for a total amount of almost € 5.7M (or 4.6% of the budget).

Overall, the budgets under Title 1 (+€ 1.6M) and Title 3 (+€ 425K) were increased by transfers from Title 2 (-€ 2M).

Towards the end of the year, a salary adjustment (+1.7%) and an increase in the weighting coefficient for The Netherlands from 8.3% to 9.9% materialised. Due to the unexpected developments with the current headquarters that had an impact on the implementation of the Strategic Housing Roadmap activities, it was possible to transfer unused funds from Title 2 (Other administrative expenditure) to Title 1 (Staff).

For Title 3 (Operational activities), in particular in the area of ICT, the budget was increased to carry out activities that were de-prioritised during the year due the budget unavailability.

All transfers were decided by the Executive Director in accordance with Article 27(1) of the FR except one approved by the Management Board in November in accordance with Article 27(2) of the FR. This was specifically to cover for the salary and weighting increase under Title 1 (transfer from Title 2) which went above the threshold of the Executive Director (maximum 10% between Titles).

2.2.7. Accrual rate

The accrual rate in 2018 increased to 39% (compared to 27% in 2017), with € 4.6M accrual (amount of products/services already delivered in 2018 but not yet paid) and a total carry

forward commitments of € 12.0M. The target for the accrual was set at 60%, which has proved to be extremely challenging and was never achieved in the past years.

Similar to previous years, the need for caution and flexibility due to the late decision on the salary adjustment (only known in the last quarter) led to some delays in implementation and resulted in a number of transfers in the last quarter of the year.

2.2.8. Late payments

The percentage of late payments in 2018 increased from 20.6% the previous year to 22.5%, which is well above the set target of 10%. The percentage of late payments was particularly high in the fourth quarter, mainly due to the increased number of invoices received and a shortage in terms of human resources.

Europol made a total of almost 12,000 payments, around 1000 more than in the previous year and the average number of days to pay moved from 22.6 in 2017 to 22.4 in 2018.

In terms of value, late payments represent 3.8% of the total payments made in 2018, compared to 5% in 2017. For 90% of the late payments, the amount was lower than € 1K.

In 2018, a total of 505.21 euros were paid to cover interest costs related to two late payments. In order to reduce the risk to incur interest for late payments, high value invoices were prioritised.

2.2.9. Procurement

Pursuant to Article 74.10 FR[54], each authorising officer by delegation must draw up a list of the negotiated procedures under points 11.1 (a) to (f) of Annex I FR, i.e. negotiated procedures without publication of a contract notice and, if the trend shows an increase of this type of procedures, to report on measures taken to reverse such a trend. The report on negotiated procedures shall be annexed to the Consolidated Annual Activity Report.

In 2018, the total number of negotiated procedures under points 11.1 (a) to (f) of Annex I FR was lower - in terms of number and in terms of value - compared to the last two years 2016 and 2017[55].

In addition, point 3.2 of Annex I FR stipulates that the negotiated procedures under points (g) (building contracts) and (i) (contracts to be declared secret) of point 11.1 shall also be annexed to the Consolidated Annual Activity Report.

The other grounds of negotiated procedures referred to in points 11.1 (h), (j), (k), (l), and (m) of Annex I FR are subject to separate publication (i.e. publication in the Annual List of Contractors on Europol's website). Therefore, these procedures are not included in this Note.

No contracts under points 11.1 a, 11.1 b or 11.1 g were concluded in 2018. The following tables contain information on the contracts concluded in 2018 under article 11.1 c and 11.1 i:

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[54] A new Financial Regulation (FR) applicable to the general budget of the EU entered into force on 18 July 2018 (Regulation 2018/1046).
[55] In 2016, there were two concluded procurement procedures under Art 134(1)(a) to (f) RAP with an aggregated value of 982,304 EUR. In 2017, there were four concluded procurement procedures under Art 134(1)(a) to (f) RAP with an aggregated value of 747,000 EUR. In 2018, there was only one concluded procurement procedure under ex Art 134(1)(a) to (f) RAP for a value of 220,000 EUR.

Point 11.1 c: For reasons of extreme urgency brought by events unforeseeable by the contracting authority			
Subject of the tender	**Procedure Ref.**	**Maximum Value**	**Contractor**
Extension and Increase of Financial Ceiling of the Framework Contract for Mobile Communication Carrier Services and Devices	1819(1719)/C1/N	€ 220,000	Vodafone Global Enterprise Limited

Point 11.1 i: For contracts declared secret or for contracts whose performance must be accompanied by special security measures			
Subject of the tender	**Procedure Ref.**	**Maximum Value**	**Contractor**
2 Training locations for EC3 specialised Training Courses	1809/O/N	€ 56,000	Landesamt fur Ausbildung, Fortbildung und Personalangelegenheiten der Polizei NRW (LAFP)
	1702/O/N/PCF	€ 24,000	Fundacion Policia Española
Training for security officers	1814/G5/N	€ 25, 932	Dutch Ministry of Justice and Security

No formal challenge or proceeding on procurement procedures was brought before a Court against Europol in 2018.

2.3. Human Resources management

2.3.1. Staff figures and Establishment Plan

The 2018 Establishment Plan had a total number of 576 TA posts. Compared to the Establishment Plan for 2017 (550 TA posts) this was a combined result of a reduction of 5 TAs following Commission instructions and an addition of 31 TAs in line with the adopted 2018 budget.

On 31 December 2018, the total number of **staff employed by Europol** was 756: 555 staff in Establishment Plan posts and 201 Contract Agents. The number of **non-Europol staff** (Seconded Experts, Liaison Officers and staff of Liaison Bureaus, Trainees and Contractors) was 538.

During 2018, 125 **new staff** started work at Europol (62 Temporary Agents and 63 Contract Agents), while 64 **staff left** the organisation (42 Temporary Agents and 22 Contract Agents).

2.3.2. Vacancy rate

The vacancy rate at the end of the year was **0.5%** (555 of 576 posts were on post and 18 offer letters were sent), while the target was a vacancy rate of maximum 2% at the end of the year.

2.3.3. Gender representation

At the end of 2018, female staff made up 33% of all personnel and occupied 29% of established (TA) posts filled. Females occupied 16% of staff in Senior Specialist / Senior Analyst positions (i.e. 26 of 159 staff in these posts). The percentage of female staff members in Head of Unit and equivalent or higher positions was 12% (four 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 of staff are Spain, the Netherlands, Italy, Greece, Romania, Germany, France, Poland, Belgium and the United Kingdom.

Comparing Europol's staff nationality share to the EU MS population share, Germany, the United Kingdom, France, Poland and Italy are still underrepresented[56] and the Netherlands, Greece, Romania, Spain, Belgium and Bulgaria are overrepresented.

Detailed graphs can be found in Annex II-d.

2.3.5. Annual Assessment and reclassification

The annual appraisal exercise 2018 was launched on 16 January 2018 and closed on 23 May 2018 with a completion rate of 86%.

The 2018 Europol reclassification exercise was launched through an Administrative Notice published on 4 June 2018, following the closure of the annual assessment 2018.

The budgetary limit for the reclassification exercise 2018 was set at a maximum of 15% of eligible Temporary Agent staff and 20% of eligible Contract Agent 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 the year and the total number of staff reclassified was 53 (34 administrators (AD), 2 assistants (AST) and 17 contract agents (CA)) which is 7% of the staff population (posts filled at year-end).

2.4. Internal Audit management

2.4.1. Internal Audit Capability (IAC)

During the first semester of 2018, the IAC completed two engagements of the 2017 Audit Plan, which were initiated in December 2017. They concerned:

- An **assessment of the application of the Europol Regulation**: This audit engagement aimed at assessing the implementation status of legal requirements and expected actions stemming from the Europol Regulation ten months after its entry into application as well as the adequacy of the planning and management of Europol's transition to its new legal regime. Having assessed the processes and outcomes triggered by the provisions stemming from the Europol Regulation, the IAC expressed an overall positive opinion. Europol had implemented the necessary legal requirements in a timely, compliant and adequate manner and complied with the key financial, planning and reporting requirements enshrined in the Europol Regulation, as also with the ones dictated by the Financial Regulation applicable to Europol. The majority of ER provisions have been implemented and among the ones that have not, in most instances Europol has already taken action or has fulfilled part of the requirement, therefore progress towards the full implementation is expected in the near future. With regard to the provisions which have not been implemented or have been partly implemented, the IAC issued fourteen (14) recommendations (10 rated as important and 4 as desirable).
- A **follow up exercise on past recommendations issued by the IAC (2010-2016)**: In accordance with the IAC audit manual, the IAC performs every two years a follow-up on the previously issued audit recommendations. The purpose of this exercise was to review the

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[56] With a gap ≥2% when comparing the population share in Europol and in the EU

state of play of the recommendations and determine whether effective corrective actions and, where relevant, adequate additional controls had been implemented. From a total of ninety nine (99) recommendations issued by the IAC in the period 2010-2016, seventy three (73) had been implemented to mitigate the identified risks; nineteen (19) had remained pending and classified as either on-going or partially implemented or not (yet) implemented and; seven (7) recommendations had not been intended for implementation or considered as no longer applicable.

Four more audit engagements were performed as per the IAC Work programme for 2018:

- Audit engagement on **Learning, Training and Development (LTD)**: The purpose of this engagement was to provide reasonable assurance to Europol's MB and the ED about the adequacy of the internal control mechanisms in place for managing LTD activities provided to Europol staff. The audit covered the business-related, personal development and language learning activities undertaken by Europol staff during 2017 and sought to assess compliance with the applicable LTD framework as well as to determine the adequacy of the existing management controls for planning, managing, monitoring and reporting on LTD activities; monitoring the results of such activities against expectations of personnel, respective management and business needs, and; undertaking adequate remedial actions when expectations and business needs were not fulfilled. The IAC acknowledged a number of key strengths in existing controls for managing LTD activities and identified some significant risks against which thirty four (34) recommendations were issued (4 critical; 19 very important; 11 important). The IAC concluded that, overall, the controls in place are regarded as marginally adequate.

- Audit engagement on **Operational support on-the spot**: The audit engagement tackled the process of deployments of Europol officers on-the-spot from the receipt of requests for operational support from Member States, the prioritisation and planning of deployments, the identification of resources and the delivery of services. The scope included all Departments of the Operations Directorate. The purpose of the audit engagement was to provide reasonable assurance on the adequacy and effectiveness of the existing internal processes and controls for the delivery of on-the-spot operational support to Member States and whether the provided services add value to Europol and its stakeholders. While each Department deals with different types of requests and different crime areas, the IAC sought to make an assessment and issue recommendations that reflect findings common to all. The overall audit opinion was rated adequate. The achievements of Europol's *on-the-spot operational support* objectives were reasonably supported and the controls facilitating the business objectives in scope of the engagement were managed at an adequate level. However, the IAC identified some opportunities for improving the existing procedures, which resulted in the issuance of fifteen (15) recommendations (1 very important; 12 important; 2 desirable).

- **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 European Commission requested the ED 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. In addition, the audit checked the adequacy of authorisations in the IT systems managing the mission expenses of Europol staff (i.e. MobileXpense). While the IAC observed that the controls facilitating the business objectives in scope of the engagement are managed at an adequate level, it issued five (5) recommendations (2 very important and 3 important). Moreover, the IAC reviewed the implementation status of the eight (8)

recommendations issued between 2015 and 2017: seven (7) had been implemented and one (1) was no longer applicable.

- **ISO 17020:2012 audit of the Europol Forensic Laboratory:** the IAC 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 objectives of the audit are to determine whether the activities in the Laboratory (*pertaining to the comparative forensic examination of Euro banknotes with an unclear authenticity, for determining whether they are genuine or counterfeits*) are in conformity with 17020:2012, and whether the Laboratory's Quality Management System is adequately maintained. Non-conformities were not identified and two observations which qualify as opportunities for improvement were observed for which relevant recommendations were issued.

The audit engagement on operational analysis which was initiated in the last quarter of 2018 will be finalised in the first quarter of 2019.

In its consultancy function, the IAC was requested to and provided input and advice on: the evolution of the MB Working Group on ICT into a Working Group on Information Management, and the cooperation with the ATLAS network.

Finally, the IAC supported the Internal Audit Service of the Commission during an audit on "Human Resources Management and Ethics", including input in the elaboration of a relevant survey to gather feedback from Europol staff on the topic.

2.4.2. Data Protection Function (DPF)

The DPF's workload remained high in 2018 due to the continued implementation of the new data protection regime for operational data and the need to prepare and implement the new administrative data protection legal framework introduced by Regulation 2018/1725. Other factors impacting the DPF's workload included the steep increase in recommendations provided by the EDPS in various business areas in the context of inspections, inquiries and prior consultations as well as an increase by 61% in the number of data subject requests (Art. 36 ER).

The **Unified Auditing Solution** (UAS) was extensively used by the DPF during the year and the outcome of the compliance activities were timely shared with the competent Directorates. This auditing tool has changed the paradigm of auditing at Europol from a reactive to a proactive approach by means of an alert system, which enables the DPF to act at an early stage to bring the risk of possible non-compliant data processing to the attention of management. It must be noted that the amount of audits and data checks to be performed by the DPF are proportional to the amount of data processed by Europol, which increased quite significantly in 2018.

In the operational domain, the assurance activities in 2018 included, among others:

- Processing of information from private parties,
- Checking EAS floating entities,
- The Strasbourg terrorist attack,
- Usage of WhatsApp in the operational context,
- The Malta murder case of an investigative journalist,
- Data processing activities in the area of the new EAS and by the EU IRU,
- Follow-up of the recommendations included in the 2017 compliance report on Guest Officers Data Processing Activities,
- Access to SIENA,
- Supervision of the data diode transactions,
- Data protection implications due to Europol's housing situation,
- Receipt of personal data from private parties,

- Handling of hidden hit notifications,
- TFTP related data processing operations.

The assurance activities in the area of operational cooperation with Frontex resulted in a formal compliance check report including two recommendations. This report was superseded by the EDPS opinion on the matter, issued in September, concluding that the Frontex Regulation does not provide a legal basis allowing Frontex to receive personal data from Europol.

In addition, the DPF regularly takes care of **data subjects' requests** (Art. 36 requests). Article 36 ER grants the right to any data subject, at reasonable intervals, to obtain information on whether personal data relating to him/her are processed by Europol. In 2018, Europol received a total of 524 requests, an increase of 61% compared to the 325 requests received in 2017.

Furthermore, the DPF has established an in-house mechanism leading to the **prior consultation process pursuant to Article 39 ER,** which stipulates that any new type of processing operations that involve special categories of data as referred to in Article 30(2) ER and/or use new technologies, mechanisms or procedures shall be subject to prior consultation to the EDPS.

In the context of Article 39, the DPF established and documented the respective process in close consultation with all Europol Directorates. The data controller brings to the attention of the DPF all initiatives that involve the processing of personal data and may hence require a prior consultation by the EDPS. The DPF includes these processing operations into an inventory of operational processing activities that was established following a recommendation by the EDPS.

By filling in a questionnaire, the respective data controllers carry out a Data Protection Impact Assessment (DPIA). The DPF reviews the DPIA with the aim to propose data protection safeguards but also in terms of the legal requirement to prior consult the EDPS. Any exchange of information and communication between the controller and the supervisory authority in the context of Article 39 ER is duly registered. The same applies to internal DPIAs for processing operations which do not fulfil the criteria for prior consultation as defined by Article 39 ER.

Throughout 2018, the DPF received six completed internal DPIAs and the EDPS issued three prior consultation opinions (on QUEST, ETS[57] and IRMa) containing recommendations. A fourth prior consultation process, affecting SIENA 4.0, was initiated by the EDPS in October 2018.

Europol's Data Protection Experts Network (EDEN), launched in January 2015, continued to be maintained and updated by the DPF. 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 EDEN had more than 400 users at the end of 2018.

Another important focus in 2018 was to prepare and conduct the second EDEN Conference. The event, held at Europol Headquarters on 22-23 November 2018, was co-organised with the Academy of European Law (ERA) – who covered all the costs linked to this Conference.

The EDEN Conference hosted 28 external speakers and more than 300 participants from various sectors including law enforcement, the data protection community, private industries, NGOs, academia, the legislator and others interested in topics relating to law enforcement and data protection. The strong representation of Europol's management at the conference was perceived by the participants as a solid commitment towards a corporate data protection culture.

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[57] European Tracking Solution

2.5. External Audit management

2.5.1. Internal Audit Service (IAS)

In May 2017, the IAS, supported by the IAC and relevant Europol staff, performed a **risk assessment**, covering Europol's process landscape (core, support, management and improvement processes). None of the 36 reviewed process areas[58] was graded in the category "Enhance risk mitigation".

On the basis of the risk assessment performed in 2017, the Europol MB endorsed the IAS **Strategic Internal Audit Plan (SIAP) 2018 – 2020** in October 2017. The following audit topics were identified in the strategic audit planning, in the following order:

- HR Management
- IT Security
- Contract management
- Anti-fraud strategy and ethics as a reserve topic

HR Management and IT Security were initially selected as audit topics for 2018, and, as part of the updated IAS audit approach for EU agencies, the topic of ethics was added to the scope of the audit on HR Management – performed in April 2018. Europol was notified in January 2019 that the IAS audit on IT Security, initially planned for 2018, was envisaged to take place in the second semester of 2019.

The IAS assessment on the status of the seven remaining recommendations at the end of 2018 (all graded as important) concluded that two recommendations from the audit on stakeholder management (issued in 2016) and three from the audit on procurement (issued in 2017) were adequately and effectively implemented.

Accordingly, **by the end of 2018**, there were **two pending recommendations**, graded as important, from the audit performed on **stakeholder management**. The implementation of these two recommendations, concerning Europol's communication and stakeholder management approach, is envisaged by mid-2019, in order to take into account the corresponding elements of the new Europol Strategy 2020+, which was endorsed by the MB in December 2018.

As indicated above, the IAS audit on **HR management and ethics** was conducted in 2018 and the **IAS audit report**, received at the beginning of 2019, **concluded** that Europol's "processes for **managing HR** (performance appraisal and reclassification, recruitment, planning and allocation of human resources) and **anti-fraud** and **ethics-oriented policies and procedures are adequately designed and effective and comply with the existing regulatory and legal framework**." Europol will develop an action plan to address the **three recommendations** (graded as important) issued by the IAS in the audit report, and the corresponding actions will be addressed as a matter of priority in 2019.

2.5.2. European Court of Auditors (ECA)

The audit activities performed by the ECA, supported by an external audit contractor as described in Article 107 of the Financial Regulation (FR) applicable to Europol, concerning the **annual accounts of Europol for 2017** and the related implementation of the Delegation Agreement (DA)[59] and the Hotspots Grant Agreement were conducted in the first half of 2018.

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[58] 36 process areas in total, clustered into the following 7 groups: (1) Performance management, (2) Financial management, (3) Human resources management, (4) support activities, (5) Relation management and communication, (6) Corporate information technology and (7) Governance
[59] Entrusted to Europol by the European Commission for providing financial support regarding the implementation of the EU policy cycle 2014-2017 for EMPACT activities

Next to an extensive review of the relevant supporting documentation, three audit assignments were performed at Europol, during which the financial transactions (commitments and payments, including Europol's budget administration, carry-forwards and accounting), procurement activities and the related internal control framework for the financial year 2017 were scrutinised.

Europol received **positive audit opinions on the financial implementation of the Delegation Agreement (DA), the Hotspots Grant Agreement and the provisional annual accounts with respect to the financial year 2017**. The corresponding preliminary observations of the ECA for the report to the discharge authority on the provisional annual accounts were issued by the ECA in April 2018.

In June 2018, the Europol MB adopted the opinion on the final annual accounts for 2017, which was, together with the final annual accounts 2017, submitted to the ECA, the European Commission's Accounting Officer, the discharge authority (Council and the European Parliament), and national parliaments in EU Member States.

In October 2018, the **closure of the Delegation Agreement** (at the end of September 2018), was subject to an **external audit** in relation to the **completion of the DA as a whole**, and Europol obtained a corresponding positive audit opinion in November 2018.

At the end of November 2018, the ECA issued the overall assurance statement, comprising a **positive opinion in relation to the reliability of the 2017 final annual accounts, as well as the legality and regularity of the underlying financial transactions**.

In relation to the **financial year 2018**, at the beginning of December 2018 the ECA carried out the **regular financial audit**, in relation to the aspects of **regularity** and **legality** of the financial transactions, which was followed-up by a desk review of a sample of transactions.

The aspect of the **reliability of the information** provided in the provisional accounts is planned to be scrutinised by an external auditor in **March 2019**, as provided for in Article 107 of the Financial Regulation (FR) applicable to Europol.

All audit activities performed in relation to the financial year 2018 will, subsequently, be reviewed by the ECA, with a view to expressing a formal opinion on the closure of the financial year 2018, for the final accounts to be issued by 1 July 2019, including an opinion of the MB on the final accounts, as per the respective process set out in the FR applicable to Europol. At the end of 2018, no issue of a material nature had been identified in relation to the closure of the financial year 2018.

2.5.3. European Data Protection Supervisor (EDPS)

The bi-monthly meetings between Europol's DPF and the EDPS became a well-established practice in 2018. Four meetings were held (in The Hague and in Brussels) and, additionally, one visit to prepare for the TFTP inspection to be conducted in February 2019.

The topics discussed in these meetings included, among others:

- EAS ontology,
- Mandatory reporting of statistics according to article 30(6) and 31(3) ER,
- Inventory of operational data processing activities,
- Activities of the Europol Cooperation Board and of the Joint Parliamentary Scrutiny Group,
- Operational personal data breach procedure,
- Prior consultations submitted and under preparation,
- FIU.net,
- Cooperation with Frontex,
- Preparation of the EDPS inspection activities.

The DPF also facilitated the 2018 EDPS annual inspection, which took place from 22-25 May 2018 at Europol. The inspection focused on data processing activities, which were not covered by the previous preliminary inspection. Some of the topics covered by the inspection include:

- Europol Information System,
- Data processing in the context of the Analysis Project (AP) Travellers,
- Processing of personal data on persons under 18 in the Europol Analysis System (Minors) and secondary security checks by Europol in the hotspots.
- Regarding administrative data, checks were performed to verify compliance with the provisions of Regulation 45/2001 in the context of the selection and recruitment procedures and of the processing of Europol staff data in the Unified Auditing Solution (UAS).
- On the technical side, the EDPS focused the inspection activities on the new Analysis System, QUEST, user management and on information security as a follow-up of the previous inspection.

Additionally, the EDPS carried out a remote inspection of Europol's web services. The inspection report was provided to Europol's DPF, who was requested to address the identified data protection issues and vulnerabilities. The DPF replied to the EDPS by the end of November, already providing a first update on the progress made.

2.6. Follow up of recommendations and action plans for audits

In 2018, 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, the IAS or the European Ombudsman**. Further follow-on actions concerning the IAC and DPF recommendations were on-going.

There was one comment from the **2017 financial year audit performed by the ECA**, not affecting the assurance statement on the 2017 annual accounts, calling for the **publication of vacancy notices on the EPSO website**. Europol responded to the comment by indicating that publishing vacancy notices on the EPSO website entails high translation costs and introduces delays in the recruitment process. Europol prioritises its budget expenditure on operational delivery needs and the translation of vacancy notices for all EU official languages, including publication through EPSO, is therefore initiated in individual cases only (e.g. in relation to the (Deputy) Executive Director(s)).

By the end of 2018 and in relation to recommendations issued by the **IAS**, there were two pending recommendations (graded as important) which were planned for completion in 2019 (see section 2.5.1).

The **IAC** issued 82 new recommendations in 2018 and significant progress was made in closing the IAC recommendations from previous years. The IAC assessment of the implementation of past recommendations issued by the IAC (2010-2016)[60] was completed in Q2 2018, with 73 recommendations (or 74%) assessed as implemented, and five as partly implemented (out a total number of 99 recommendations assessed during the IAC review)[61].

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[60] (1) Review of the implementation of recommendations issued by the IAF in the period 2010-2014 (IAF/C/2015/4); (2) Consultancy engagement on review of systems laid down by the Authorising Officer 2015 – 1st Report - Accountancy: 2014 consolidation process – (IAF/C/2015/1.1); (3) Report on the review and assessment of the implementation of (ICS) at Europol (IAF/C/2016/1); (4) Review and assessment of the operational support provided by EC3 (IAF/C/2016/2) and (5) Audit on Europol Sports and Social Association (ESSA) regarding its accounts for the years 2012 to 2015 (IAF/C/2016/3)

[61] The recommendations resulting from the (1) Consultancy engagement on review of the systems laid down by the Authorising Officer 2015 – 2nd Report - Validation of authorisations granted in ABAC (IAF/C/2015/1.2); (2) Internal audit of Europol Forensic Laboratory (IAF/C/2015/2), (3) Internal audit of Europol's Forensic Laboratory (IAF/C/2015/3); (4) Validation of user access rights granted in ABAC (IAF/C/2016/4) and (5) Report of internal audit of Europol Forensic Laboratory (IAF/C/2016/8) were assessed as part of the annual audit engagements on the validation of ABAC user access rights and the ISO/IEC 17020:2012 internal audit of Europol's Forensic Laboratory.

Overall, **good progress was noted in relation to the follow-up of IAC audit recommendations**. Regarding one critical and 26 very important **IAC audit recommendations planned for implementation in 2018**, **86%**, or 24 out of 28 recommendations, were considered **implemented by Europol at the end of 2018**.

Notwithstanding the formal assessment by the IAC, the implementation rates for all the recommendations of the IAC audit reports are assessed by Europol as follows:

- **83% for audits issued in 2015**, or 10 out of 12 recommendations. The two remaining recommendations are about the establishment of an organisational wide contract management database, which has been reprioritised due to the focus on operational delivery. In the meantime, Europol makes use of specific repositories for key spending areas (e.g. ICT, Facilities) ensuring the monitoring of contract implementation.
- **81% for audits issued in 2016**, or 91 out of 112 recommendations, including a stock taking exercise of all previous recommendations for the period 2010-2014. The remaining 13 recommendations[62] - planned for implementation as of 2019 onwards – are related to cross-organisational aspects, including the implementation of a corporate stakeholder management database, policy and process updates as well as related follow-on actions.
- **92% for audits issued in 2017**, or 35 out of 38 recommendations. Regarding the remaining three recommendations, one was assessed by the IAC as no longer applicable and two were foreseen for implementation in 2019 onwards (update of the process description in relation to the guide to missions and authorised travel and implementation of a corporate stakeholder management database).
- **22% for audits issued in 2018**, or 18 out of 82 recommendations. Of the 82 recommendations, 54 were issued at the end of Q3 2018 and in Q4 2018. 28 of the open recommendations concern the framework for learning and development adopted by the Management Board in October 2018, the organisational-wide implementation of which is proceeding according to the agreed course of action and timelines. The other remaining open recommendations relate to operational support on-the-spot, the implementation of the Europol Regulation, and ICT project planning, management and change. These recommendations will be addressed as part of the Europol Work Plan 2019 and in the context of the implementation of the Europol Strategy 2020+.

The IAC issued **four critical recommendations** as part of the audit on learning, training and development and one recommendation was considered implemented with the adoption of the Europol internal measures regarding the framework for learning and development at the end of 2018. The steps necessary to implement the three remaining critical recommendations will be taken in line with the agreed action plan, thus were not delayed in implementation.

Europol will continue to address the recommendations of the IAC as part of the regular business planning of the organisation and **monitors the progress made for the implementation of the recommendations made by all of Europol's assurance providers**. A report containing a status overview on the implementation of all recommendations issued by the IAC was provided to the MB in December 2018.

2.7. Follow up of observations from the discharge authority

In April 2018, Europol was formally notified that **the European Parliament (EP) had granted discharge** to the Executive Director of Europol with respect to the **implementation of the budget for the financial year 2016**. The discharge proceedings in relation to the financial year 2017 were well underway.

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[62] Of the 112 recommendations, 4 recommendations were not intended for implementation and 4 recommendations were assessed by the IAC as no longer applicable.

In September 2018, 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 taken in April 2018 for the financial year 2016**, in line with previous reporting to the MB.

In response to **three general questionnaires** (addressed to all EU agencies) and Europol-specific questions from the Standing Committee on Budgetary Control (CONT) of the EP, Europol explained the response of the Agency concerning the observations of the ECA on the financial year 2017, the status of Europol's response to the resolution of the EP (accompanying the discharge decision taken in April 2018), and provided further information on horizontal governance, as well as Europol specific topics.

By the end of 2018, Europol expected that the **Civil Liberties, Justice and Home Affairs (LIBE) Committee** of the European Parliament will issue a positive opinion on discharge in respect of the implementation of the **Europol budget for the financial year 2017**[63]. The adoption of the resolution accompanying the **discharge decision** by the **European Parliament** on the closure of the financial year 2017, based on a recommendation from the Council, is expected in **March 2019**.

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[63] Opinion on discharge in respect of the implementation of the budget of the European Union Agency for Law Enforcement Cooperation (Europol) for the financial year 2017, LIBE_AD(2019)630579, Europol file no. EDOC #1016753v2

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

3.1. Critical risks in the Programming Document 2017-2019

For the year 2018, a list of five critical[64] threats and opportunities was provided in Annex VIII of the Programming Document 2018-2020. Among this list of threats and opportunities, the following risk descriptions materialised:

- **Europol was approached by various stakeholders** (including the political level) **to contribute to and take on new tasks** (e.g. concerning EES, ETIAS, PNR, Decryption platform, etc.) while new activities initiated in 2016 and 2017, especially the establishment of the 24/7 operational service capability, Europol's on-the-spot deployments for secondary security checks in Greece and Italy, and the activities for the implementation of the new Europol Regulation were still being consolidated in the organisational set-up.
- **Strained availability of operational resources** at Europol, in particular in view of continuously increasing information flow, negatively affected the capability to effectively and efficiently process and analyse contributions from MS and TP.
- **Tight human resources levels, especially in ICT,** resulted in the **re-prioritisation of relevant core systems developments**, the full Integrated Data Management Concept implementation and other projects, causing Europol to rely on **outsourcing of business delivery** with the increased risk profile that this implies.

3.2. Risk Management

In 2018, risk management activities at Europol focused on addressing audit requirements from Europol's internal (IAC) and external audit activities (Delegation Agreement and Hotspots Grant Agreement, ECA, IAS) as well as **enhanced security and data protection requirements**, in particular in light of the governance provisions under the Europol Regulation and the operational needs of the organisation. Additional activities focused on further optimising the risk management process - including exploring ICT solutions for corporate risk and audit management – and enhancing awareness of risk management through internal communication and training.

Mitigation activities also concerned the risks affecting the **core business objectives** set for the 2018 Work Programme, in particular in relation to the further development and management of high quality analytical support and an evolving portfolio of cross-cutting operational capabilities.

Europol's 2018 corporate risk profile was characterised by:

- Key change endeavours and their governance, as well as assimilability of change, including the implementation of the new Europol Regulation. The change required had an organisation-wide impact, particularly affecting the ICT work plan but also the availability of staff in the Operations Directorate.
- Following the migration of counter terrorism related Analysis Projects (APs) in 2017, the analysis platform solution experienced significant performance issues in Q2 2018. As a risk mitigation response, based on a thorough analysis of the options available, Europol decided not to progress with the migration of the Serious and Organised Crime (SOC) data and related APs into the analysis platform solution. This decision was also based on the assessment that the delivery concept of an analysis capability, constituting of both a live data repository and single analysis solution, tendered and contracted prior to the entry into force of the Europol Regulation, will not meet Europol's evolving business requirements and the operational

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[64] 3 threats and 2 opportunities with severe impact and high probability were identified, see Europol Programming Document 2017-2019, pages 82 - 87

demand to be expected from cooperation partners in EU Member States and beyond, in particular due to the:

- Exponential growth of data sharing in recent years, beyond the envisaged data volumes at the tendering stage;
- Europol's assignment as EC3 in 2013, as well as EMSC and ECTC in 2016, combined with a changed profile of analysis expected from Europol, including on-the-spot support as a standard feature and "big data" processing in particular in cybercrime and counter-terrorism;
- The IDMC introduced with the Europol Regulation replacing the definition of vertical data systems, such as the EAS, in the founding legal act with overall processing purpose definitions and data protection by design provisions;
- A change in the ICT solution delivery approaches, typified by so called "data lake" architecture - as opposed to vertical database repositories requiring high data maintenance efforts;
- Further evolution, innovation and ICT delivery expected from Europol under the EU interoperability agenda (e.g. EES, ETIAS, PNR, enhances access to SIS, EURODAC etc.).

On the way forward, Europol pursues a future-proof "data lake" solution concept on the basis of a single common data repository platform for all core business data, to be developed and maintained under the in-house lead of Europol.

- Budget and human resources challenges: Considering the additional staff granted in 2016 for the establishment of the ECTC and the on-the-spot deployment of guest officers for secondary security checks through the Hotspots Grant Agreement (GA), the **workforce to support the core business in infrastructure areas is under continuous pressure** in order to achieve a high-level implementation of business delivery and assigned budget.
- 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**.

3.3. Compliance and effectiveness of Internal Control Standards

The implementation of the Internal Control Standards (ICS), adopted by the Europol Management Board in 2011, focused on continuously refining processes and identifying key internal controls that need further development/review in order to ensure proper process implementation and reduction of the risks related to process performance.

In line with the changes in international best practices, in particular the revision of the Committee of Sponsoring Organisations (COSO) framework, the European Commission revised the Internal Control Standards (ICS) and, in April 2017, issued a new reference model, referred to as the **Internal Control Framework** (ICF) and consisting of five internal control components and 17 related principles. The **Europol Internal Control Framework (ICF)**, translating the five internal control components and 17 principles into the organisational context, was **adopted by the MB in December 2018**, following a thorough analysis of the ICF of the European Commission, the original COSO Integrated Internal Control Framework guidance documentation, as well as consultation with the IAC and the Corporate Matters Working Group (CMWG) of the MB in particular.

Notwithstanding the full implementation of the Europol ICF in the course of 2019, Europol has included the corresponding declarations of assurance in Part V of this CAAR.

The ECA announced in December 2018 the intention to conduct a survey on the implementation of the internal control frameworks and sensitive posts policies in EU agencies with a view to obtain a horizontal overview on the matters. The results of that survey were not available at the end of 2018.

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 and (d) clear guidance to all staff on the expected behaviour (Code of Conduct etc.).

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 Function** (DPF) which 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 two staff members, who is functionally independent to perform the respective duties foreseen by the Financial Regulation (FR) applicable to Europol.

6. An **Internal Audit Capability** (IAC), which provides an additional element of assurance to the Authorising Officer (AO) of Europol throughout the year.

Europol's overall assessment is that Europol's building blocks of assurance provide sufficient input for the **Executive Director's statement of assurance** as well as the **statement of assurance of the Deputy Executive Director in charge of risk management and internal control** as contained in this consolidated activity report.

4.2. Reservations

No issues requiring a reservation were identified by the end of the financial year 2018.

Part V. Declaration of Assurance

Declaration of Assurance of the Authorising Officer (AO)

I, the undersigned, Executive Director of European Union Agency for Law Enforcement Cooperation (Europol), in my capacity as Authorising Officer (AO) for Europol, as defined in the Financial Regulation (FR) applicable to Europol,

- Declare that the information contained in this report gives a true and fair view;[65]

- State that 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 principles of sound financial management, and that the Europol Internal Control System (ICS), including the control procedures put in place, gives the necessary guarantees concerning the legality and regularity of the underlying transactions.

- Confirm that I am not aware of anything not reported here which could harm the interests of Europol.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the assessment of the Europol Internal Control System (ICS), performance monitoring including financial verification controls, the work of the Internal Audit Service (IAS), the Internal Audit Capability (IAC) of Europol and the reporting of the European Court of Auditors (ECA), including for years prior to the year of this declaration.

I hereby certify that the information provided in the present Consolidated Annual Activity Report (CAAR) of Europol, and in its annexes, for the financial year 2018 is, to the best of my knowledge, and on the basis of the assurance given to me, accurate and complete

Catherine De Bolle
Executive Director

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[65] True and fair in this context means a reliable, complete and correct view of the state of affairs in Europol

Statement of the Deputy Executive Director in charge of risk management and internal control

I, the undersigned, Deputy Executive Director in charge of risk management and internal control, declare that with reference to the Europol Internal Control Framework (ICF), adopted by the Management Board of Europol at the end of 2018, my assessment - on the basis of internal management reporting available to me and my professional judgement - is that the elements of the Europol Internal Control System (ICS), seen as whole, are effective to enable Europol to achieve its objectives. A full annual assessment of the ICS will be performed on the financial year 2019.

I hereby certify that the information provided in the present Consolidated Annual Activity Report (CAAR) of Europol, and in its annexes, for the financial year 2018 is, to the best of my knowledge, accurate and complete.

Oldřich Martinů
Deputy Executive Director

Annex I. Key Performance Indicators

GOAL	EUROPOL ACTIVITY	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	END 2017	2018		TARGET END 2018
Goal 1: Europol will be the EU criminal information hub, providing information sharing capabilities to law enforcement authorities in the MS	A.1. Development of operational systems	1.1. Develop the necessary ICT capabilities to maximise the exchange and availability of criminal information	Operational Stability - Uptime of Core Systems	99.8%	99.7%	✔	98.0%
			Core business project delivery (% of milestones achieved for projects that entail a core business component)	79.5%	77.0%	✔	75.0%
			Number of SIENA messages exchanged	1,005,610	1,110,962	✔	1,100,000
			Number of SIENA cases initiated	66,113	77,303	✔	65,000
			Number of objects in the EIS (MS+Europol)	1,062,236	1,310,120	✔	1,000,000
			Number of EIS searches	2,478,825	4,062,974	✔	2,600,000
			% of all SIENA messages received by Europol containing structured data	11%	14%	✔	12%
	A.2. Information Hub	1.2. Provide effective and immediate first-line information exchange	Speed of first-line response to MS requests (days)	18.2	6.8	✔	18.0
			Accepted contributions to be processed	72,420	75,198	✔	72,500
			Operational Information Backlog (number of operational contributions pending processing)	5,102	3,803	✔	4,000
		1.3. Strategically enhance partnerships with cooperation partners	SIENA messages exchanged by third parties (TP)	128,250	159,046	✔	125,000
			Operations supported by Europol involving cooperation partners	535	696	✔	550

GOAL	EUROPOL ACTIVITY	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	END 2017	2018		TARGET END 2018
Goal 2: Europol will provide the most effective operational support and expertise to MS investigations by developing and employing a comprehensive portfolio of services	A.3. Combating Serious and Organised Crime	2.1. Support MS investigations in the area of SOC	Satisfaction with operational support (incl. analysis) in the area of SOC	8.9	8.9	✔	8.5
			Operations supported related to SOC	769	758	✔	650
			Operational reports delivered related to SOC	3,730	4,636	✔	1,400
			SIENA messages exchanged related to irregular migration	19,290	17,495	✖	20,000
			On-the-spot support deployed related to EMSC (in days)	2,149	1,511	✖	1,800
	A.4. Combating Cyber Crime	2.2. Support MS investigations in the area of cybercrime	Satisfaction with operational support (incl. analysis) in the area of cybercrime	8.9	9.0	✔	8.5
			Operations supported related to cybercrime	180	257	✔	175
			Operational reports produced related to cybercrime	12,256	889	✖	2,000
	A.5. Counter-Terrorism	2.3. Enhance cooperation in the area of counter-terrorism	Number of accepted contributions related to CT	6,167	6,642	❗	7,000
			Number of EIS objects related to terrorism	564,248	666,738	✔	550,000
			Operations supported related to CT	439	620	✔	300
			Operational reports produced related to CT	917	1,837	✔	850
			Satisfaction with operational support and analysis in the area of CT	8.2	8.0	✖	8.5
			SIENA messages exchanged by CT units	44,467	55,226	✔	40,000
			% of decisions for referral by EU IRU related to terrorism and violent extremism	96.5%	97.0%	✔	90.0%
			% of successful referrals by EU IRU related to terrorism and violent extremism	78.5%	74.0%	✖	90.0%
	A.6. Provision of cross-cutting operational capabilities	2.4. Develop and manage high quality analytical support and an evolving portfolio of cross-cutting operational capabilities	Satisfaction with operational support and analysis in the area of financial intelligence	8.2	8.6	✔	8.5
			Operations supported with Financial Intelligence products/services	100	154	✔	80

GOAL	EUROPOL ACTIVITY	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	END 2017	2018		TARGET END 2018
Goal 3: Europol will be an efficient organisation with effective governance arrangements and a positive reputation	A.7. Governance, support and administration	3.1. Ensure effective, efficient and accountable management of Europol's resources	Budget Outturn rate	0.9%	0.8%	✔	2.0%
			Commitment Rate Europol Budget	99.8%	99.9%	✔	95.0%
			Payment Rate Europol Budget	89.0%	86.9%	✖	90.0%
			Vacancy rate	0.0%	0.5%	✔	2.0%
			Sickness rate	-	-	⬤	3.5%
			Turnover rate	9.7%	8.7%	✔	15.0%
			% of pending critical/very important audit recommendations implemented within the agreed deadline with the auditing bodies	97%	86%	✔	85%
		3.2. Promote the added value and achievements of EU law enforcement cooperation to stakeholders and EU citizens	% Satisfaction with Europol's image (via User Survey)	77.8%	81.0%	✔	77.8%

Annex II. Establishment Plan and Human Resources Management

Annex II-a. Establishment Plan

Temporary Agents

Grade	Establishment Plan 2018	Posts filled 31/12/2018[66]	Posts vacant[67]	TOTAL[68]
AD 15	1	1	0	1
AD 14	1	2	0	1
AD 13	5	1	0	2
AD 12	11	7	0	7
AD 11	17	7	0	7
AD 10	28	15	0	15
AD 09	61	33	0	33
AD 08	100	75	0	75
AD 07	128	135	1	136
AD 06	158	262	1	263
AD 05	36	11	0	11
AST 07	3	0	0	0
AST 07	5	3	0	3
AST 06	6	4	0	4
AST 05	7	4	1	5
AST 04	5	9	0	9
AST 03	3	0	0	0
AST 02	1	4	0	4
TOTAL	576	573	3	576

Contract Agents

Grade	Posts filled 31/12/2018
FG IV	47
FG III	110
FG II	44
FG I	0
TOTAL[69]	201

Second National Experts

	Posts filled 31/12/2018
SNE	77
TOTAL[70]	77

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[66] Offer letters sent counted as posts filled. Includes 18 vacant posts for which selections were completed and offer letters were sent.

[67] Vacant posts are shown in the grade allocated to the vacancy or the grade allocated to the previous post holder in cases when decision on recruitment has not been made yet.

[68] Discrepancies between the grades in the Establishment Plan and the grades actually filled result from the general approach to replace those staff members that leave in lower (entry) grades.

[69] Planned maximum of 212 annual average FTEs.

[70] Annual average FTEs including cost free SNEs, excluding SNEs paid for from grant agreements and excluding guest-officer SNEs.

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

Key functions	Type of contract (official, TA or CA)	Function group, grade of recruitment[71]
Core Functions		
Level 1 Manager (Executive Director & Deputy Executive Director) incl. Head of Directorate	TA	AD14 - AD 15
Level 2 Managers Head of Department (eq. HoU)	TA	AD9 – AD11
Senior Specialist/Senior Analyst (eq. Senior officer)	TA	AD7
Specialist/Analyst (eq. Officer)	TA	AD6
Support Functions		
Head of Administration (level 2 above)	TA	AD11
Head of Finance (level 2 above)	No post at Europol	Notional AD9
Head of HR (level 2 above)	TA	AD9
Head of Communications (level 2 above)	TA	AD9
Head of IT (level 2 above)	TA	AD11
Senior Specialist	TA	AD7
Specialist (incl. web editor)	TA	AD6, AST4
Admin Assistant or equivalent	TA/CA	AST2 / FGII
Special functions		
Data Protection Officer	TA	AD9
Accounting officer	TA	AD9
Internal Auditor	TA	AD9
Management Board Secretary	TA	AD9

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[71] Please note function group and grade represents likely grade at appointment. With the transition, Europol has staff occupying higher graded posts. Functions identified within Europol as close as possible given that there is no adequate definition of functions provided with the MSPP or following guidelines. Junior officer, senior/junior assistant, secretary, mail clerk, secretary to the Executive Director are not a recognised position at Europol. There is no equivalent.

Annex II-c. Benchmarking exercise

Europol continues to strive towards being a **more operational agency**. In 2018, the results of the job screening exercise show an increase in the percentage of operational jobs and decreases in the percentage for administrative/coordination jobs.

The job screening exercise was performed in December 2018, according to the guidelines defined by the EU Agencies Network and based on all people working at Europol's premises on 15 December 2018. 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 2017, **the operational jobs have increased by 1.8 points** to 78%. On the other hand, the jobs dealing with administrative support and coordination have decreased by 2.2 points, to 18%. Neutral jobs remained stable at 4%.

Job Type category	2017 Jobs	2017 (%)	2018 Jobs	2018 (%)	Δ 2018
Administrative support and Coordination	**230**	**20%**	**223**	**18%**	**-2.3%**
Administrative support	166	14%	**169**	13%	**-0.5%**
Coordination	64	5%	**54**	**4%**	**-0.7%**
Operational	**891**	**76%**	**977**	**78%**	**1.8%**
General Operational	668	57%	**741**	**59%**	**2.0%**
Programme Management	200	17%	**211**	**17%**	**-0.2%**
Top level Operational Coordination	23	2%	**25**	**2%**	**0.0%**
Neutral	**51**	**4%**	**56**	**4%**	**0.5%**
Finance	51	4%	**56**	**4%**	**0.5%**
	1,172		**1,256**		
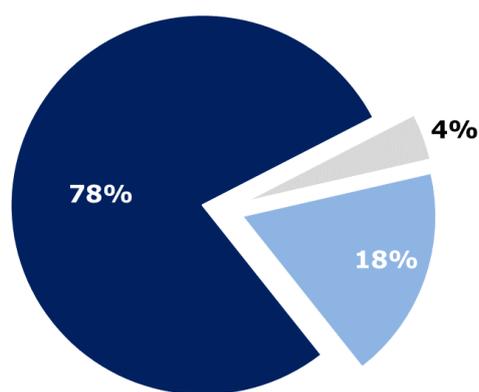
● Administrative support and Coordination ● Operational ● Neutral

Annex II-d. Member States representation at Europol

A - Europol staff (in post) per nationality and type of contract

	ES	NL	IT	GR	RO	DE	FR	PL	BE	UK	PT	BG	HR	HU	CZ	SI	FI	IE	SE	AT	LT	SK	EE	LV	DK	CY	MT	LU
SNE	28	1	29	14	4	12	11	11	4	5	4	4	16	2	1	0	1	0	0	2	0	0	0	0	4	0	0	0
CA	19	55	22	12	11	6	6	10	2	4	11	10	2	11	3	4	4	1	3	1	2	0	0	1	0	1	0	0
TA	58	47	37	44	52	44	33	28	34	30	21	17	11	10	13	11	10	9	7	7	7	8	6	4	1	3	2	1
TOTAL	105	103	88	70	67	62	50	49	40	39	36	31	29	23	17	15	15	10	10	10	9	8	6	5	5	4	2	1
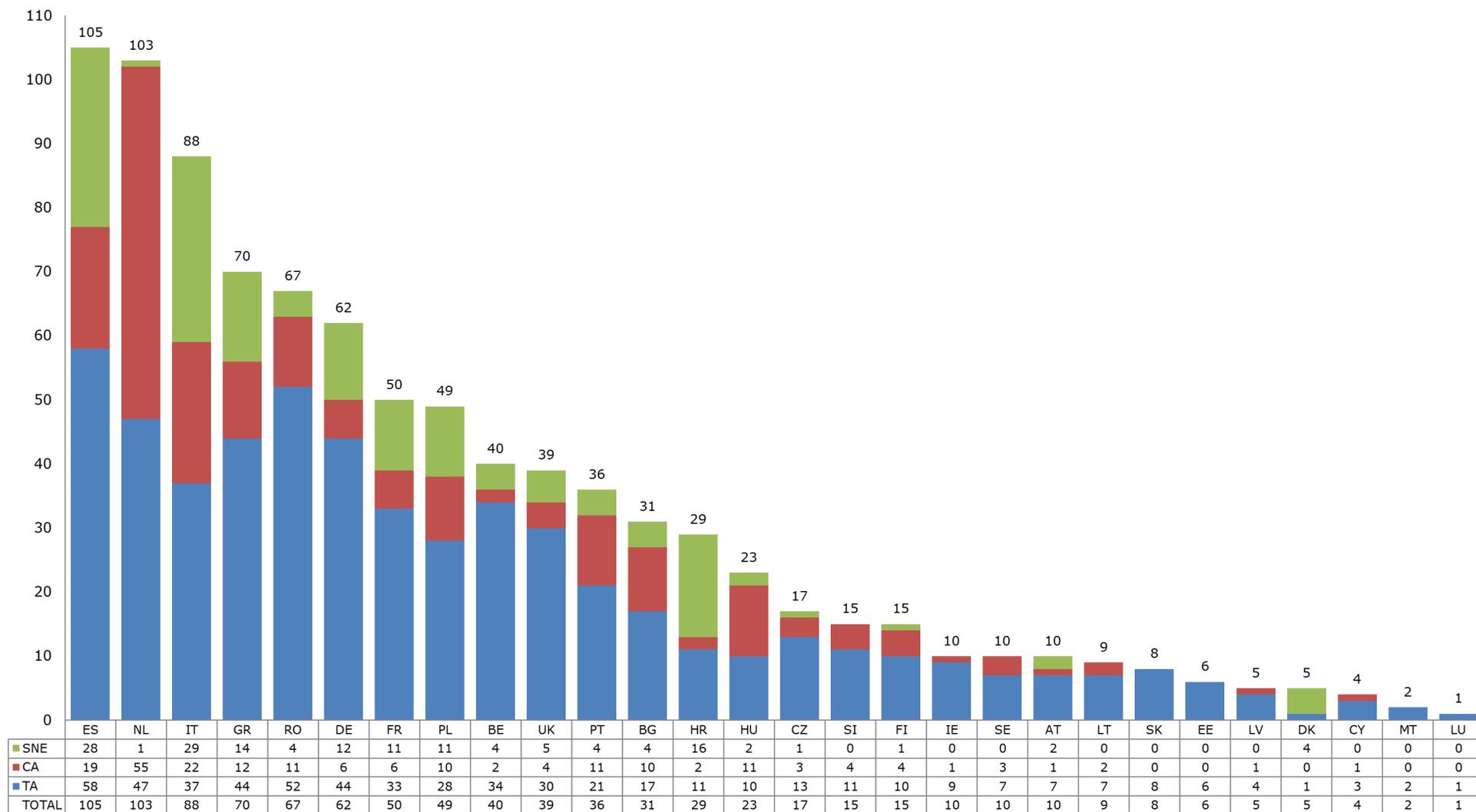
B- Europol staff (in post) vs. EU population share per country

Country	Value
Germany	-9.1%
United Kingdom	-8.4%
France	-7.5%
Italy	-2.3%
Poland	-2.2%
Sweden	-0.8%
Austria	-0.6%
Denmark	-0.6%
Czech	-0.2%
Slovakia	-0.2%
Luxembourg	0.0%
Malta	0.1%
Latvia	0.2%
Ireland	0.2%
Cyprus	0.3%
Estonia	0.4%
Lithuania	0.4%
Finland	0.6%
Hungary	0.6%
Slovenia	1.2%
Portugal	1.9%
Bulgaria	2.0%
Belgium	2.2%
Croatia	2.4%
Spain	2.4%
Romania	3.4%
Greece	5.5%
Netherlands	8.0%
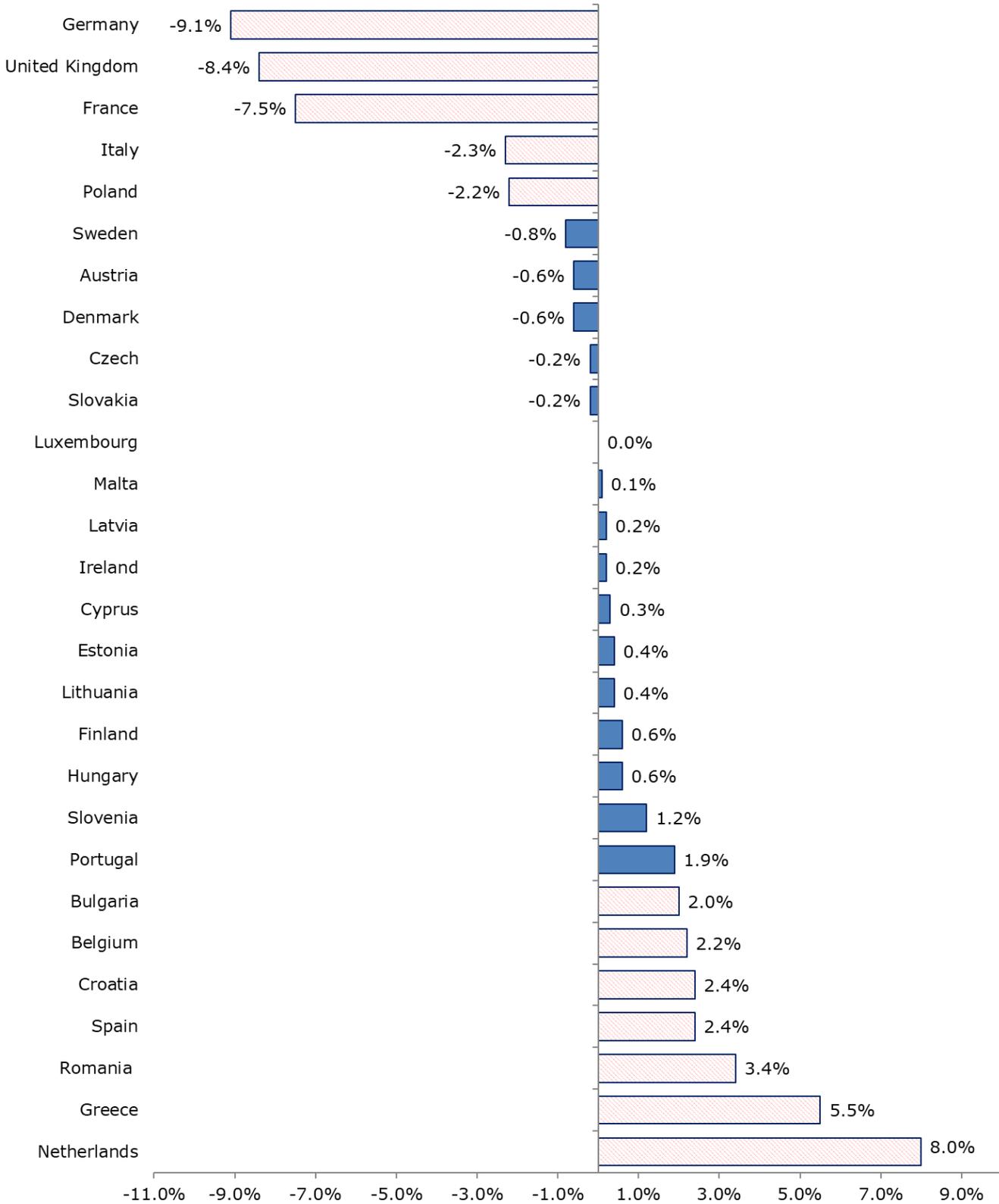
Annex III. Organisational Chart (as of December 2018)

Executive Director

Operations (O) Directorate

O1 Front Office
- Operational Centre

O2 European Serious Organised Crime Centre (ESOCC)
- EU Drugs & Organised Crime Unit
- Operations Economic & Property Crime
- Operations EMSC & THB

O3 European Cyber Crime Centre (EC3)
- Operations EC3
- Strategy

O4 European Counter Terrorism Centre (ECTC)
- Strategy & Expertise
- Operations CT
- EU Internet Referral Unit (IRU)

O5 Horizontal Operational Services (HOS)
- Financial Intelligence
- Strategic Intelligence – Analysis
- Strategic Intelligence – Direct Support
- Resources

Governance (G) Directorate

G1 Corporate Affairs Bureau
- Corporate Affairs
- Corporate Communications

G2 Corporate Services
- Strategic & External Affairs
- Legal

G3 Procurement
- Procurement

G5 Security
- Security

Capabilities (C) Directorate

C1 ICT
- ICT Infrastructure & Operations
- ICT Solution Delivery
- ICT Planning & Execution Mgmt

C5 Administration
- Human Resources

Liaison Bureaux

Management Board Functions

Management Board Secretariat (MBS)	Data Protection Function (DPF)	Internal Audit Capability (IAC)	Accountancy Unit (ACCU)

Annex IV. Provisional Accounts

BALANCE SHEET

ASSETS	31.12.2018	31.12.2017
NON-CURRENT ASSETS	**36,643,279**	**32,973,656**
Intangible fixed assets	**14,738,790**	**9,921,077**
Computer software	4,562,240	3,041,037
Computer software under Financial lease	415,928	-
Under construction	9,760,622	6,880,040
Tangible fixed assets	**21,897,574**	**23,045,664**
Land and buildings	8,107,094	8,570,688
Plant and equipment	208,348	301,034
Computer hardware	6,675,601	6,769,321
Furniture and vehicles	1,898,752	1,964,693
Other fixtures and fittings	2,859,796	4,202,676
Assets under financial lease	2,147,983	1,237,252
Non-current receivables and recoverables	**6,915**	**6,915**
Long-term receivables	6,915	6,915
CURRENT ASSETS	**36,908,598**	**26,387,203**
Short-term pre-financing	**3,668,008**	**2,179,198**
Short-term pre-financing	5,006,458	8,492,261
Accrued charges on pre-financing	-1,338,450	-6,313,064
Short-term Receivables	**7,564,165**	**5,336,876**
Current receivables	2,712,374	1,404,619
Sundry receivables	215,262	325,619
Other receivables: Accrued income	32,880	43,379
Deferred charges	4,571,440	3,563,199
Receivables with consolidated EU entities	32,208	60
Cash and cash equivalents	**25,676,425**	**18,871,130**
TOTAL ASSETS	**73,551,877**	**59,360,859**
LIABILITIES		
NON-CURRENT LIABILITIES	**5,796,762**	**4,877,110**
Pensions and other employee benefits	3,199,584	3,330,986
Provisions for risks and charges	-	-
Other liabilities	2,597,178	1,546,124
CURRENT LIABILITIES	**13,422,097**	**10,518,267**
Provisions for risks and charges	17,000	17,000
Financial liabilities	632,081	379,101
Payables	**12,773,017**	**10,122,166**
Current payables	46,232	11,175
Sundry payables	335,695	397,367
Other payables: Accrued charges	5,316,154	4,264,937
Deferred income	15,871	30,668
Accrued charges with consolidated EU entities	178,341	365
Accounts payable with consolidated EU entities	6,880,724	5,417,655
NET ASSETS	**54,333,017**	**43,965,482**
Accumulated surplus/deficit	43,965,482	37,240,973
Economic result of the year	10,367,535	6,724,509
TOTAL LIABILITIES	**73,551,877**	**59,360,859**

STATEMENT OF FINANCIAL PERFORMANCE

	31.12.2018	31.12.2017
REVENUE	**131,946,149**	**120,259,651**
Non-exchange revenue		
European Union Contribution[72]	129,045,225	118,249,459
Other non-exchange revenue	2,617,214	1,794,500
Exchange revenue	283,710	215,692
EXPENDITURE	**121,578,613**	**113,535,141**
Operational expenditure	23,291,287	24,091,911
Administrative expenditure:	98,281,644	89,433,601
Staff	72,220,028	65,105,595
Fixed asset-related	8,760,465	7,802,243
Other	17,301,150	16,525,764
Financial expenditure	5,682	9,629
SURPLUS/DEFICIT FROM ORDINARY ACTIVITIES	**10,367,535**	**6,724,509**
Extraordinary gains	-	-
Extraordinary losses	-	-
SURPLUS/DEFICIT FROM EXTRAORDINARY ITEMS		
ECONOMIC RESULT OF THE YEAR	**10,367,535**	**6,724,509**

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[72] Includes the Delegation Agreement and Hotspot Grant Agreement.

CASH FLOW STATEMENT

	31.12.2018	31.12.2017
Economic result of the year	10,367,535	6,724,509
Operational activities		
Amortisation (intangible fixed assets)	1,255,689	1,090,467
Depreciation (tangible fixed assets)	7,504,776	6,685,193
Increase (-)/Decrease in provisions for risks and charges	-	-14,000
Increase (-)/Decrease in short-term pre-financing	-1,488,810	-16,126
Increase (-)/Decrease in short-term receivables	-2,195,141	-796,277
Increase (-)/Decrease in receivables related to consolidated EU entities	-32,148	1,781
Increase(-)/Decrease in other long-term liabilities	1,051,054	220,200
Increase (-)/Decrease in accounts payable	1,187,782	-460,604
Increase (-)/Decrease in liabilities related to consolidated EU entities	1,463,069	-3,035,393
Other non-cash movements	252,979	-13,831
Net cash-flow from operational activities	**19,366,785**	**10,385,920**
Investing activities		
Increase (-) of tangible and intangible fixed assets	-12,470,367	-10,498,104
Proceeds from tangible and intangible fixed assets	40,278	693,128
Net cash-flow from investing activities	**-12,430,089**	**-9,804,976**
Increase/decrease (-) in pension and employee benefits liability	**-131,401**	**-1,450,975**
Net increase/decrease (-) in cash and cash equivalents	6,805,295	-870,031
Cash and cash equivalents at the beginning of the year	18,871,130	19,741,161
Cash and cash equivalents at year-end	**25,676,425**	**18,871,130**

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/ Deficit	Economic result of the year	Net Assets (Total)
Balance as at 31 December 2017	**37,240,973**	**6,724,509**	**43,965,482**
Changes in accounting policies	-	-	-
Balance as at 1 January 2018	**37,240,973**	**6,724,509**	**43,965,482**
Allocation of the economic result of previous year	6,724,509	-6,724,509	-
Economic result of the year 2018	-	10,367,535	10,367,535
Balance as at 31 December 2018	**43,965,482**	**10,367,535**	**54,333,017**

RECONCILIATION BETWEEN STATEMENT OF FINANCIAL

PERFORMANCE AND BUDGET RESULT

Description	Amount
Economic result (Statement of Financial Performance) 2018	10,367,535
Accruals/deferrals 2018	817,744
Accruals/deferrals reversed from 2017	-251,387
Adjustment for 2017 carry forward appropriations assigned revenue	6,480,224
Adjustment to employee benefit liability	-131,401
Cancellation of unused payment appropriations from 2017	1,029,950
Cashed balance sheet recovery orders issued in 2018	1,330,020
Cashed recovery orders issued before 2018	241,847
Depreciation and amortisation of fixed assets	8,760,465
Fixed asset acquisitions (excluding unpaid amounts at 31.12.2018)	-5,538,659
Fixed asset corrections	-40,512
Internally-generated fixed assets[73]	-5,598,057
Open pre-financing paid in 2018	-4,688,211
Open pre-financing received in 2018	3,470,238
Other general ledger corrections	-4,162
Payment appropriations carried forward to 2019	-26,103,122
Payments 2018 in Statement of Financial Performance different year	-34,460
Payments made from 2019 budget	3,371
Payments made from carry forward 2017	11,246,115
Pre-financing given in 2017 and cleared in 2018	5,975,035
Pre-financing received in 2017 and cleared in 2018	-6,156,442
Uncashed recovery orders issued in 2018	-75,425
Unpaid but expensed invoices at 31.12.2018	6,098
Total = Budget result 2018	**1,106,807**

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[73] This is the total amount capitalised in 2018 and considered under construction.

BUDGET RESULT 2018

	2018	2017
REVENUE		
Union contribution, cashed	130,245,520	114,623,613
Other revenue, cashed	6,746,755	5,072,599
TOTAL REVENUE (a)	**136,992,275**	**119,696,212**
EXPENDITURE		
Budget Title 1: Staff		
Payments current year	81,611,543	74,525,051
Appropriations carried over to next year	3,941,257	4,063,911
Budget Title 2: Administrative		
Payments current year	7,925,304	7,182,780
Appropriations carried over to next year	3,358,112	2,804,849
Budget Title 3: Operational		
Payments current year	27,754,042	28,694,930
Appropriations carried over to next year	18,803,753	11,887,530
TOTAL EXPENDITURE (b)	**143,394,012**	**129,159,052**
RESULT FOR THE FINANCIAL YEAR BEFORE SPECIAL ITEMS (a-b)	**-6,401,736**	**-9,462,840**
Cancellation of unused payment appropriations carried over from the previous year	1,029,950	834,972
Adjustment for carry-over from the previous year – assigned revenue	6,480,224	9,783,165
Exchange rate differences	-1,631	3,595
BUDGET RESULT 2018	**1,106,807**	**1,158,893**

Annex V. Main issues discussed and decisions taken by the Management Board

Meeting 13 February 2018

At its first meeting of 2018, the MB discussed: the implications for Europol of budgetary shortcomings resulting from final Budget 2018; the funding of Guest Officers carrying out secondary security checks in hotspots in Greece and Italy; the implementation of Article 7(11) of the ER, whereby Europol shall draw up an annual report on the information provided by each Member State on the basis of the quantitative and qualitative evaluation criteria defined by the MB for transmission to the European Parliament, Council, Commission and national parliaments; operational matters related to travel information, the EU law enforcement protocol for major cyber-attacks and activities in the area of counter-terrorism; from a data protection perspective, the Board reviewed an inventory of operational data processing activities and discussed the application of Regulation 45/2001 to the Agency's operational data; as regards external relations, the Board discussed the modalities for cooperation with the ATLAS network and the future deployment of liaison officers in the Western Balkans.

Decisions were taken concerning:

- **Travel intelligence Task Force**: the MB endorsed Europol's approach for the preparation and development of the Agency's capabilities for the processing of travel-related information and the delivery of products and services in support of national competent authorities.
- External relations: the MB approved the **model working arrangement** for the facilitation of Europol's external relations.

Meeting 3 - 4 May 2018

At its May meeting the MB discussed: practical arrangements related to the scrutiny of Europol's activities by the JPSG following a presentation from Mr Tsvetanov, Group's co- Chair during the first semester of 2018; quantitative and qualitative criteria for the annual report on information provided by each Member State in accordance with Article 7(11) of the ER; draft MB Decisions on parental and family leave, which were preliminarily adopted by the Board and submitted to the Commission for agreement in view of Art. 110 of the EUSR; a number of operational matters related to the fight against international serious organised crime and terrorism; the status of cooperation with external partners; the Board took note of a preliminary assessment of Brexit with regard to Europol and of the priorities of the then incoming Austrian Presidency of the EU.

Decisions were taken concerning:

- **Conditions of employment**: the MB adopted a Decision concerning the non-application of the Commission Decision C(2017) 6760 of 16 October 2017, on the general provision implementing Article 79(2) CEOS governing the conditions of employment of contract staff employed by the Commission.
- **Psychological and sexual harassment**: the MB adopted a Decision on a policy on protecting the dignity of the person and preventing psychological and sexual harassment.
- **Telework**: the MB adopted a Decision on the implementation of telework at Europol.
- **National experts**: the MB adopted a Decision laying down rules on the secondment of national experts to Europol.
- **Consolidated Annual Activity Report 2017**: the MB adopted the Consolidated Annual Activity Report (CAAR) 2017, including the Board's analysis and assessment thereof.
- **Deployment of Liaison Officers in the Western Balkans**: the MB endorsed the criteria for the evaluation of the deployment of Europol liaison officers in the Western Balkans.
- **Amending Budgets 2018**: the MB adopted an amending budget for 2018 in order to ensure secondary security checks at Hotspots and reinforce Europol's capabilities to decrypt

information lawfully obtained in criminal investigations; a further amending budget 2018 was adopted to cater for the yearly financial contribution from Denmark.
- **MB Working Group on Information Management**: the MB adopted the Terms of Reference of its Working Group on Information Management.
- **Automated Fingerprint Identification System (AFIS)**: the MB accredited AFIS for a period of five years.
- **Working arrangement with Israel**: the MB authorised the Executive Director to conclude a working arrangement with Israel.

Meeting 3 October 2018

The meeting in October was held on 3 October only, as 4 October was devoted to the above-mentioned first joint meeting between the MBs of Europol and Frontex.

During the session on 3 October, the MB heard a presentation from Mr Tsvetan Tsvetanov on the outcome of the 24-25 September 2018 JPSG meeting and on the Group's expectations concerning cooperation with the MB. The Board discussed the modalities for such cooperation and agreed to finalise its position through written procedure. Other issues discussed regarded: a draft MB Decision concerning the engagement and use of temporary staff at Europol, which was preliminarily adopted by the Board and submitted to the Commission for agreement in view of Art. 110 of the EUSR; the revision of the policy intended by the Executive Director for granting contracts of indefinite duration to eligible staff; the status of the proposed Europol Budget 2019; issues pertaining to information management, with a special focus on the modalities to ensure the realisation of integrated data management at Europol through the implementation of a single common data repository platform; and reports submitted by the Agency's Internal Audit Function. The MB heard an update on the situation concerning the deployment of Europol Liaison Officers in the Western Balkans and took note of the state of play of cooperation with Denmark.

Decisions were taken concerning:

- Future **Chairperson and Deputy Chairperson** of the Board: the MB elected the future MB Chairperson (Mr Wili Apreutesei, Romania) and Deputy Chairperson (Ms Saana Heikinheimo, Finland) for the period 1 January 2019 – 30 June 2020.
- **MB Working Groups**: the MB appointed, for the same period, the chairpersons of its groups on Corporate Matters and on Information Management.
- **Appraisal, probationary period and management trial period of the Executive Director and Deputy Executive Directors**: the MB adopted the relevant decision.
- **Declaration of Interests**: following a recommendation from the European Parliament, the MB adopted a new model Declaration of Interests for its members replacing a declaration on the absence of conflicts of interests.
- **Learning and development**: the MB adopted a Decision on the framework for learning and development.
- **Grants**: the MB adopted a revised Decision on Europol's implementing rules on grants.
- **ATLAS network**: the MB approved the Terms of Reference for cooperation between Europol and the ATLAS network.
- **FIU.net**: the MB approved the connection of Moldova to the FIU.net system.
- **Working arrangements**: the MB approved the conclusion of working arrangements with Japan; the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA); EUNAVFOR MED Operation Sophia; and the European Maritime Safety Agency (EMSA).
- **European Parliament**: the MB authorised the Executive Director to conclude the working arrangements with the European Parliament foreseen in Article 52 of the ER.
- **European Anti-Fraud Office**: the MB adopted a Decision on the accession of Europol to the Inter-institutional Agreement of 25 May 1999 between the European Parliament, the

Council and the Commission concerning internal investigations by the European Anti-Fraud Office (OLAF).

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Meeting 13 - 14 December 2018

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At the last meeting of the year, the MB endorsed the Europol Strategy 2020+ tabled by the Executive Director and had an initial exchange of views on the preliminary draft Europol Programming Document 2020-2022; other issues discussed were the information management priorities for 2019; the status of key programmes and information management initiatives supported by Europol; mechanisms to provide the most efficient support to national competent authorities in the fight against serious organised crime; travel intelligence and the impact of the future EU Interoperability on Europol and its operational support to competent authorities in the Member States; the improvement of criminal asset recovery in the EU; issues surrounding the access of law enforcement authorities to the non-public WHOIS information and Europol's proposals to address Member States' operational needs; furthermore, the MB was updated on the priorities of the incoming Romanian Presidency of the Council of the EU, and on the situation concerning the deployment of Europol Liaison Officers in the Western Balkans; finally, the Board welcomed the preliminary analysis provided by Europol on the possible impact of Brexit scenarios, i.e. the "no-deal" scenario or an "endorsed withdrawal agreement" decision, and invited Europol to ensure internal preparations for the materialisation of any such scenario.

In his capacity as representative of the Joint Parliamentary Scrutiny Group (JPSG) before the MB, Mr Tsvetan Tsvetanov took part as an observer in MB discussions pertaining to the Europol Strategy 2020+, the preliminary draft Europol Programming Document 2020-2022, the Europol Final Budget 2019, and written questions addressed by the JPSG to Europol in accordance with the JPSG Rules of Procedure.

Decisions were taken concerning:

- **Rights and obligations of liaison officers**: the MB adopted a Decision on the rights and obligations of liaison officers in relation to Europol.
- **Europol Internal Control Framework**: the MB adopted the new Europol Internal Control Framework (ICF), which replaced the Internal Control Standards of the Commission adopted by the MB in February 2011.
- **Decision on outside activities**: the MB adopted by analogy the Commission Decision C(2018)4048 on outside activities and assignments and on occupational activities after leaving the service.
- **Selection of a Deputy Executive Director**: the MB adopted the vacancy notice for the post of Deputy Executive Director of the Governance Directorate; through drawing of lots, it selected the Member States which, along with the Commission representative and the Executive Director, should comprise the selection committee to prepare the MB reasoned opinion to be submitted to the Council; and it endorsed the estimated timeline for the selection procedure.
- **Europol Budget 2019**: the MB adopted the final Europol budget and establishment plan for 2019.
- **Internal Audit Capability (IAC) Work Programme**: the MB approved the IAC Work Programme for 2019.
- **Accreditation of the Europol Information System**: the MB accredited the Europol Information System (EIS) and the Identity and Access Management (IAM) to operate for 5 years up to and including the level of RESTREINT UE/EU RESTRICTED.

Written Procedures

January-February 2018

- The MB adopted a draft amending budget to enable Europol to receive a grant from the Commission in order to support cooperation for law enforcement purposes between the EU and the US through more effective EU-US mutual legal assistance and strengthened direct cooperation between law enforcement and US-based providers of electronic communication services, apps and online platforms for access to digital evidence.

February-May 2018

- The MB adopted a draft amending budget to enable Europol to recruit Contract Agents for the pilot deployment of Europol Liaison Officers to the Western Balkans.
- The MB adopted the IAC Charter in accordance with Article 84(1)(a) of the Financial Regulation applicable to Europol, and the Audit Manual.

May-October 2018

- The MB adopted the quantitative and qualitative criteria for the annual report on information provided by each Member State in accordance to Article 7(11) of the Europol Regulation.
- The MB finalised its opinion on Europol's annual accounts 2017, which were subsequently transmitted by Europol's accounting officer to the European Parliament, the Council, the Commission, the Court of Auditors and national parliaments.
- The MB repealed its Decision of 30 July 2010 on the general implementing provisions adopting the guide to missions for Europol staff.

October-December 2018

- The MB agreed on the practicalities for the attendance of a non-voting observer from the JPSG to MB meetings as per the possibility given by Art. 14(4) of the ER.
- Following the preliminary adoption of its Decisions on parental and family leave at the 3-4 May MB meeting, and upon receipt of the relevant Commission agreement, the Board proceeded to the final adoption of both Decisions.
- In accordance with Article 12(1) of the ER, on 30 November 2018 the MB adopted Europol's Programming Document 2019-2021, a document containing Europol's multiannual programming and annual work programme based on a draft put forward by the Executive Director, taking into account the opinion of the Commission and, as regards the multiannual programming, after having consulted the JPSG. The Programming Document 2019-2021 was submitted to the European Parliament, the Council, the Commission and the JPSG in early 2019.

Annex VI. De-prioritised Initiatives

Europol's objectives and actions described in the Work programme 2018 were drafted taking into account Europol's initial request for 860 posts and a total budget of €130,622,000. However, considering the final decision on Europol's 2018 budget and establishment plan, the Work Programme had to be revised and some initiatives had to be de-prioritised based on a total budget of €122,245,520 (-6.5% compared to requested budget)

Due to these resource constraints, in combination with the continuation of uncompleted initiatives from 2017, the following initially planned initiatives from the Work Programme 2018 had to be de-prioritised:

- Improve the functionalities for processing/querying structured information i.e. structured data improvements in SIENA and UMF support in EIS data loaders. (WPr Obj. A.1.1)
- SIENA usability improvements such as completion of user experience study, flexible Address book, free text translation and E-mail Notifications. (WPr Obj. A.1.1)
- Add more entities/objects to the Search webservice (QUEST) (ID documents, means of transport, means of communication, and offenses against persons). (WPr Obj. A.1.1)
- Enable automated batch searches of large volumes of data via QUEST. (WPr Obj. A.1.1)
- Progress with the implementation and integration of the Automated Fingerprint Identification System (AFIS) into Europol's information management architecture. (WPr Obj. A.1.1)
- Work towards a structural approach to regularly experiment and introduce innovative capabilities that are crucial for automating cross matching, pattern search, effective processing of large and diverse data volumes. Step up the creation of the Data Science capability in ICT to support techniques such as Image and video analysis, speech processing, Natural Language Processing, Biometrics, Sensor generated data etc. (WPr Obj. A.1.1)
- Ensure advanced access to Schengen Information System (SIS II) by (i) integrating search possibility into Unified Search Engine (USE) - Replace the existing application based on the Eurojust code and (ii) increasing interaction between SIS II and Europol data by extending the batch search functionality with other data types than persons. (WPr Obj. A.1.2)
- Following the new legal framework on EURODAC assess the technical requirements of Europol's connection with the system. (WPr Obj. A.1.2)
- Provide access to Europol data for OLAF[74] and Eurojust on a hit-no hit basis. (WPr Obj. A.1.2)
- Enhance Europol's monitoring capacity through the utilisation of the European Tracking Solution. (WPr Obj. A.2.1)
- Enhance the exchange of real-time operational information during investigations by providing MS with a secure mobile application: SIENA Real-Time chat (linked to VCP). (WPr Obj. A.3.4)
- Further develop the Image and Video Analysis Solution (IVAS) regarding image sensor fingerprint integration, image object recognition, face recognition, age/gender recognition, reverse geocoding, etc. (WPr Obj. A.4.2)
- Improve processing of large volumes of data and varied types of data collected within operations and from open sources through the development of the EC3 Search Hub and forensic capabilities. Optimise the processing, indexing, analysing, and visualising of the cross-matching and the findings. (WPr Obj. A.4.2)
- Further develop Europol's tools to address the growing need for decryption of data collected within operations, and the misuse of encryption and anonymisation techniques by (cyber) criminals and terrorists to conceal their identities and illicit activities. (WPr Obj. A.4.2) Subject to additional funding.
- Ensure EAS and other relevant tools (e.g. FITE) have processing and visualisation capabilities for large volumes of data. (WPr Obj. A.6.1)

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[74] European Anti-Fraud Office

- Optimise the utilisation of <u>anonymised/ pseudonymised cross-matching techniques</u> enabling the identification and prioritisation of links between data sets in various databases without revealing the content of that information. (WPr Obj. A.6.3)
- Gather requirements for a <u>Data Leakage Prevention</u> (DLP) System and carry out a market research on possible solutions meeting the requirements. (Strategic Objective 3.1)
- Further improve the collection, analysis and reporting of cyber threat intelligence to internal and external stakeholders by means of <u>cyber threat intelligence platform</u>. (Strategic Objective 3.1)
- Implement <u>Digital Asset Management solution</u>. (Strategic Objective 3.1)
- Establish a robust and easily accessible <u>database for qualitative and accurate performance measurement and reporting</u>: in 2018 only the design phase for the Corporate Analytics Platform is foreseen to be finalised in view of its implementation in 2019. (WPr Obj. A.7.1)

Also the following initiatives, marked in the Work programme 2018 as subject to additional resources, did not materialise in 2018:

- Commence work on the <u>automation of the immediate follow-up processes for successful searches and hits resulting from cross-checks</u> against Europol data (EIS/QUEST), and between Member States (ADEP[75], Prüm, and PNR). Depending on a specific approach to be chosen by MS this initiative may trigger significant re-architecture and rebuilding of systems and underlying architecture to match availability target and processing volumes. (WPr Obj. A.1.1)
- Explore possibilities to further reinforce the on-the-spot support to MS by utilising the <u>Guest Officers concept</u> and potentially <u>extend its scope</u> to other crime areas. (WPr Obj. A.3.1)
- Explore the needs and possibilities for applying the <u>GO concept to further areas of CT operations</u>, if in line with the recommendations. (WPr Obj. A.5.2)
- Explore means to boost Europol's expertise, preventive actions and support to MS' investigations in relation to <u>unaccompanied minors</u> under potential exploitation and missing children within the migration flow. Ensure compliance with legal requirements and tasks stemming from upcoming legislative acts affecting the work of Europol in this area. (WPr Obj. A.3.1)
- Significantly strengthen Europol's <u>cyber and forensic capabilities</u> which have a horizontal application to investigating various crime areas, including terrorism. Create and develop <u>new digital solutions</u> in support of investigation needs. (WPr Obj. A.4.1)

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[75] Automation of Data Exchange Processes

Annex VII. Overview of audit recommendations[76] issued by the IAC

Year	Audit report	Issued						Implemented up to end 2018						To be implemented in 2019 and beyond					
		Total	C	VI	I	D	O	Total	C	VI	I	D	O	Total	C	VI	I	D	O
2015	Consultancy engagement on review of systems laid down by the Authorising Officer 2015 – 1st Report Accountancy: 2014 consolidation process	4		2	2			2			2			2		2			
	Consultancy engagement on review of the systems laid down by the Authorising Officer 2015 – 2nd Report Validation of authorisations granted in ABAC	2				2		2				2		0					
	Report of internal audit of Europol Forensic Laboratory	6					6[77]	6					6	0					
2015	Total	12	0	2	2	2	6	10 / 83%	0 / -	0 / -	2 / 100%	2 / 100%	6 / 100%	2		2			
2016	Review of the implementation of recommendations issued by the IAF in the period 2010-2014	24[78]		13	11			16		8	8			5		3	2		
	Report on the review and assessment of the implementation of (ICS) at Europol	40[79]	1	21	15	3		34	1	18	13	2		5		3	2		
	Review and assessment of the operational support provided by EC3	18		5	8	5		15		4	6	5		3		1	2		

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[76] Grading of recommendation, as per the table, follows these codes: C=Critical, VI=Very Important, I=Important, D=Desirable, O=Other, either "non-conformity" or "opportunity for improvement".
[77] Defined as non-conformities (4) and opportunities for improvement (2) in line with the terminology applicable to ISO 17020:2012.
[78] Of the 24 recommendations, 3 recommendations were assessed by Europol as "not intended for implementation".
[79] Of the 40 recommendations, 1 recommendation was assessed by Europol as "not intended for implementation".

Year	Audit report	Audit recommendations																
		Issued						Implemented up to end 2018						To be implemented in 2019 and beyond				
		Total	C	VI	I	D	O	Total	C	VI	I	D	O	Total	C	VI	I	D	O
	Audit on Europol Sports and Social Association (ESSA) regarding its accounts for the years 2012 to 2015	13[80]		3	9	1		10		3	6	1		0					
	Validation of user access rights granted in ABAC	15[81]		4	8	3		14		4	8	2		0					
	Report of internal audit of Europol Forensic Laboratory	2					2	2					2	0					
2016	Total	112	1	46	51	12	2	91	1	37	41	10	2	13		7	6		
								81%[82]	100%	80%	80%	83%	100%						
2017	New operational support capabilities EU Internet Referral Unit (EU IRU)	9	1		6	2		8	1		5	2		1			1		
	Strategic analysis products and their alignment with the EU policy cycle	9	1	2	5	1		9	1	2	5	1		0					
	Missions' administration process audit	14		10	4			13		10	3			1			1		
	Validation of user access rights granted in ABAC	5[83]			4	1		4			4			0					
	Report on the ISO 17020:2012 Internal audit of the Europol Forensic Laboratory	1					1[84]	1					1	0					
2017	Total	38	2	12	19	4	1	35	2	12	17	3	1	2			2		
								92%[85]	100%	100%	89%	75%	100%						

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[80] Of the 13 recommendations, 3 recommendations were assessed as "no longer applicable" (IAC/2017/6).

[81] Of the 15 recommendations, 1 recommendation was assessed as "no longer applicable" (IAC/2017/3).

[82] When considering the 8 recommendations assessed as "not intended for implementation" (4) and "no longer applicable" (4) the implementation rate is 88%.

[83] From the 5 recommendations, 1 recommendation was assessed as "no longer applicable" (IAC/2018/3).

[84] Defined as opportunities for improvement in line with the terminology applicable to ISO 17020:2012.

[85] When considering the 1 recommendation assessed as "no longer applicable" the implementation rate is 95%.

Year	Audit report	Audit recommendations																	
		Issued						Implemented up to end 2018						To be implemented in 2019 and beyond					
		Total	C	VI	I	D	O	Total	C	VI	I	D	O	Total	C	VI	I	D	O
2018	Information Communication Technology (ICT) project planning, management and change	12		4	7	1		1		1				11		3	7		1
	Assessment of the implementation of the Europol Regulation	14			10	4		5			3	2		9			7	2	
	Audit Report Learning, Training and Development	34	4	19	11			6	1	3	2			28	3	16	9		
	Audit Report Operational support on-the-spot	15		1	12	2		1			1			14		1	11	2	
	Validation of user access rights granted in ABAC	5		2	3			5		2	3			0					
	Report on the ISO 17020:2012 Internal audit of the Europol Forensic Laboratory	2					2[86]	0						2					2
2018	Total	82	4	26	43	7	2	18	1	6	9	2	0	64	3	20	34	5	2
								22%	25%	23%	21%	29%	0%						
		244	7	86	115	25	11	154	4	55	69	17	9	81	3	29	42	5	2
								63%[87]	57%	64%	60%	68%	82%						

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[86] Defined as opportunities for improvement in line with the terminology applicable to ISO 17020:2012.
[87] When considering the 9 recommendations assessed as 'no longer applicable' (5) or 'not intended for implementation' (4) the implementation rate is 67%.