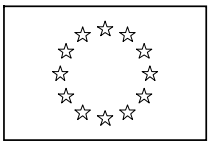

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

Development of the Schengen Information System II

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CONTENTS

1. Introduction 3
2. The present situation 5
2.1. Integration of the Schengen *acquis* into the European Union framework 5
2.1.1. The SIS in the Schengen implementing Convention 5
2.1.2. Measures integrating the Schengen acquis into the European Union framework: 5
2.2. Operation of SIS I 6
2.3. Work under way 7
3. Development of SIS II from 2002 9
3.1. Technical work to be carried out 9
3.1.1. Project management from 2002 9
3.1.2. Technical aspects 10
3.2. Institutional framework for the measures necessary for developing SIS II 12
3.3. Determining the appropriate legal bases for legislative proposals to develop SIS II 13
3.4. The effects of "variable geometry" 14
3.5. Financial aspects of developing SIS II 15
4. The management of SIS II in operation 15
5. The involvement of the future Member States of the European Union 17
6. Conclusions 18
LEGISLATIVE FINANCIAL STATEMENT 20

1. INTRODUCTION

The progressive establishment of an area of freedom, security and justice involves creating an area without internal frontiers. To this end, Article 61 EC requires the adoption of measures aimed at ensuring the free movement of persons in accordance with Article 14 EC, in conjunction with flanking measures on external border controls, asylum and immigration, as well as measures to prevent and combat crime.

Through the intergovernmental cooperation put in place by the Schengen Convention, the Member States taking part have adopted measures removing controls on persons at internal frontiers and allowing free movement for people of any nationality, together with all the flanking measures considered necessary for lifting controls at internal frontiers. These included harmonised controls and surveillance at external borders, harmonised visa policy, various forms of police and judicial cooperation in criminal matters, and the Schengen Information System (SIS).

The SIS is a joint information system that allows the competent authorities in the Member States, through an automatic query procedure, to obtain alerts regarding persons and property. Such alerts are especially useful when issuing visas, applying controls at external borders and conducting checks or other police and customs controls on home territory. The SIS, then, is a vital factor in the smooth running of the Schengen frontier-free area and indispensable both in applying the Schengen arrangements on the movement of persons and in ensuring police and judicial cooperation in criminal matters.

The Schengen *acquis*, including the SIS, was brought within the EU framework on 1 May 1999 by the Protocol annexed to the Amsterdam Treaty.

The current SIS was designed to be able to cope with eighteen States[1] but the computer technology on which it was based is now outdated. The Schengen Member States take the view that extending the SIS to further countries would compromise the operational stability of the system and might even prove technically impossible. Before the Schengen *acquis* was incorporated into the EU framework, they had already reached the conclusion that a second generation SIS needed to be developed.

It is imperative to develop SIS II and it must be completed on time, because the future Member States cannot be accommodated within the present SIS and must therefore be integrated in SIS II in order to be able to participate in the area without internal frontiers.

The development of SIS II will also allow the system to be made more powerful by using more advanced technology and adding new functions where experience in running the frontier-free area has shown they are needed.

On 28-29 May 2001 the JAI Council confirmed that developing SIS II by 2006 was a priority. It also agreed on the need to coordinate work within the Council, on the allocation of the necessary intergovernmental funds for continuing technical work in 2001 and on the principle of Community financing for the development of SIS II from 2002 (under Article 41(3) EU for aspects falling under the third pillar, while the Community budget would cover the aspects falling under the first pillar).

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[1] The fifteen Member States of the Union, Iceland and Norway, plus one in reserve.

This state of affairs is due to the absence of unanimity in favour of intergovernmental financing and the same situation could arise again in the future. To allow more flexible management in any similar situation stemming from Article 41(3) EU, the Commission intends in due course to propose an interinstitutional agreement along the lines of the agreement already concluded under the common foreign and security policy, respecting the powers of each institution.

So that work can go ahead, the Belgian Presidency and Sweden have put forward two initiatives which the Council will shortly be adopting, one based on the first pillar and one on the third pillar. These will give the Commission, assisted by a committee, responsibility for developing SIS II and provide a legal basis for its financing.

At the same time, the Budgets Council has made provision for the funding of preparatory work in 2002.

On 28 September 2001 the Commission decided to take responsibility both for the funding of SIS II and for the development work carried out under this Community funding, on the understanding that it would have to be conducted:

- in close cooperation with the Member States that had experience of SIS I,

- with the proper involvement of the European Parliament,

- with assistance from the Joint Supervisory Authority where appropriate,

- taking account of the position of the candidate countries.

In taking on this task, however, the Commission would emphasise that it does not bear sole responsibility for the development of SIS II. Although the Commission is responsible for budget execution, the conditions for sound execution must also be in place. In this respect, the two arms of the budgetary authority (Council and Parliament) remain responsible for entering the necessary resources in the budget.

In addition, the legislator is still responsible for adopting the necessary legislation in good time. Delays could compromise the timetable for setting up the system. Developing and installing SIS II will eventually require the adoption of legislation to take the place of Articles 92 to 119 of the Schengen Convention. That legislation will have to rest upon the appropriate legal bases in the Treaties, so enabling the other institutions to play their full part within the institutional framework of the European Union and the European Community.

The Commission's aim in this communication is to start preparing the ground now for the tasks that it will be responsible for from 2002 and to get discussion under way on the various aspects of developing SIS II, while at the same time endeavouring to ensure consistency and continuity in line with the preliminary work begun in the Council. The communication mainly covers the development and installation phases of SIS II up to 2006. As far as operational management of SIS II is concerned, it is not possible to do any more than sketch out the options at this stage. The choice of one option rather than another depends on decisions which will have to be taken later.

2. THE PRESENT SITUATION

2.1. Integration of the Schengen *acquis* into the European Union framework

2.1.1. The SIS in the Schengen implementing Convention

The SIS is a tool allowing the authorities concerned to cooperate in implementing the various policies required in order to establish an area without internal frontiers.

Article 93 of the Schengen Convention (CIS) states that "*the purpose of the Schengen Information System, under this Convention, is to maintain public order and safety, including State security, and to implement the provisions of this Convention concerning the movement of persons in the territory of the [Member States concerned] by means of information transmitted via this system*".

The SIS contains only those categories of data supplied by the Member States that are necessary for the purposes of extradition (Article 95), refusing entry (Article 96), locating missing persons or persons who require protection (Article 97), locating witnesses and persons accused or convicted of offences (Article 98), discreet surveillance or specific checks (Article 99) and finding objects sought for the purposes of seizure or use as evidence in criminal proceedings (Article 100). The Member State issuing the alert checks whether a case is important enough to warrant entry of the alert into the SIS (Article 94 CIS).

The system comprises national components (N-SIS) and a central technical support function (C-SIS) located in Strasbourg, which is managed on behalf of everyone under the responsibility of France. Each N-SIS data file has to be identical to all its other counterparts, which is done by transmitting information on-line via C-CIS. The authorities in a particular Member State can search only their own N-SIS data file (Article 92(2) and (3) CIS).

The Schengen implementing Convention also includes a separate chapter on the protection of personal data and data security under the SIS (Articles 102 to 118 CIS). A Joint Supervisory Authority was set up, principally responsible for supervising C-SIS (Article 115 CIS).

2.1.2. Measures integrating the Schengen acquis into the European Union framework:

The Schengen *acquis* was integrated into the framework of the European Union on 1 May 1999 by the Protocol annexed to the Treaty of Amsterdam and the Council defined the parts of the Schengen *acquis* integrated in the Union framework in its Decision of 20 May 1999.[2] These included the arrangements regarding the SIS, that is Articles 92 to 118 of the Schengen Convention and the relevant decisions and declarations of the Executive Committee (including decision SCH/Com-ex (98) 29 rev of 23.6.1998 concerning a catch-all clause covering the whole technical Schengen *acquis*[3] adopted in connection with the operation of the SIS).

The Schengen *acquis* was incorporated as it stood, with a few essential adjustments to enable it to be applied from 1 May 1999 under the legal and institutional framework of the Union

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[2] Council Decision 1999/435/EC concerning the definition of the Schengen *acquis* for the purpose of determining, in conformity with the relevant provisions of the EC and EU Treaties, the legal basis for each of the provisions or decisions which constitute the *acquis*, OJ L176, 10.7.1999, p. 1.

[3] OJ L239, 22.9.2000, p. 144.

(Article 1 of the Protocol incorporating the Schengen *acquis* into the framework of the European Union, subsequently referred to as the "Schengen Protocol").

In the course of work on the measures necessary to incorporate the Schengen *acquis* in the EU framework, the Commission's departments floated the idea of setting up an agency to run the SIS. But this was turned down by the Member States because of doubts about whether it would be possible to set up the agency in time for the entry into force of the Treaty of Amsterdam, with the consequent risk of affecting the operational nature of the SIS. However, the Member States did indicate that this position in no way prejudged the question of the running of the future SIS II at a later date.

Among the measures adopted to incorporate the Schengen *acquis* in the EU, the Council Decision of 20 May 1999 determining the legal basis for each of the provisions or decisions which constitute the Schengen *acquis*[4] is of particular importance. One of the objectives of this "breakdown" of the elements of the Schengen *acquis* between the first and third pillars was to provide the legal basis for future proposals to develop the Schengen *acquis.*[5]

However, the Council was unable to reach a decision on the provisions regarding the SIS, which are cited in the annexes to Decision 1999/436/EC only *"pour mémoire"*, without determining a legal basis.

In the absence of a "breakdown" by the Council, the provisions of the Schengen *acquis* concerning the SIS are *"regarded as acts based on Title VI of the Treaty on European Union"* under the last sentence of Article 2 (1) of the Schengen Protocol. However, under Article 5(2) of the Protocol, any new proposal concerning the Schengen *acquis* must be based on the appropriate legal base or bases in the Treaties even if the Council has not decided on the breakdown of the relevant elements of the Schengen *acquis* between the first and third pillars.

2.2. Operation of SIS I

The SIS is a reporting system, i.e. a search instrument consulted by the police, border police, customs, and authorities responsible for delivering visas and residence permits, each having access to the categories of data needed to carry out its specific task.[6] The input of data into the SIS is the direct responsibility of each Schengen State and alerts in the SIS are governed by the national law of the Schengen State entering them unless more stringent conditions are laid down in the Schengen *acquis*.

The SIS data enable users to identify persons and objects, ascertain reasons for searches, determine desired priority action and, when necessary, ensure the protection of staff in charge of controls. In the event of a hit (i.e. when a person/object is found), the authority in charge usually contacts the national SIRENE office to get additional information. This is supplied through bilateral contacts between the national SIRENE offices involved, following strict procedures laid down in the SIRENE Manual.

More than 10 million items of data are stored in the SIS. The vast majority concern identity documents which have been stolen or lost. The number of persons on whom alerts have been issued (under Articles 95 to 99) is over one million, with 90% of these issued under Article 96. The statistics submitted to the Council on the number of hits, though difficult to compare

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4 Council Decision 1999/436/EC of 20 May 1999, OJ L176, 10.7.1999, p. 17.

5 See the 4th recital of Decision 1999/436/EC.

6 Art. 101 of the Schengen Convention.

because they are calculated using different national methods, reflect the Member States' positive view of the system's efficiency.

Years of experience have enabled users not only to become familiar with the possibilities offered by the SIS but also to identify aspects where there is room for improvement. The Joint Supervisory Authority (JSA) has played a crucial role in this respect, issuing opinions and recommendations for the proper functioning of the SIS in line with the rules and rights relating to data protection laid down in the Schengen Convention. In particular, it identified 15 recommendations in April 2000, most of which having already been acted upon.[7]

In this context, and on the basis of its evaluation of the operation of the current system, the Council started work with a view to developing a SIS II.

2.3. Work under way

Discussions on possible technical and functional improvements to the SIS started in 1996 and an initial feasibility study on SIS II was carried out in 1998. But recently discussions within Council have intensified,[8] particularly in view of the forthcoming enlargement of the Union.

The project was given a new impetus under the Swedish Presidency, as the Council working groups started to make progress with preparatory work for SIS II.[9] The SIRENE working group, together with the SIS working group, have been drafting a list of possible new features.[10]

Building on this work, including all the proposals made by Member States and proposals following the JHA Council of 20 September on terrorism, the Belgian presidency is now preparing for a discussion by the Council of the possible new requirements to be tackled by the SIS and what priorities should be followed. At the same time it was confirmed that, since not all the developments envisaged could be tackled under SIS I, SIS II should be a new system.

The Commission would like to stress the importance of making progress in defining the functions of the SIS. In particular some of the proposals currently under discussion would fundamentally change the purpose of the SIS, transforming it from a reporting system to a reporting and investigation system. In addition it notes that although some proposals could

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7 Five will have to be taken on board when developing SIS II. For example, priority should be given to finding a permanent technical solution to guarantee that no EU citizen or other beneficiary of EC law on the free movement of EU citizens would be put on the list provided for in Article 96. Also the issue of misuse of identity should be addressed.

8 SIS 2 COMIX 21; CATS 9 SIS 30 COMIX 238; CATS 14 SIS 40 COMIX 304.

9 Document SN 2728/01, outlining the strategic technical requirements on a new infrastructure for SIS; and the SIS-TECH 32 outlining the technical implications of the new functions which are currently under discussion at Council level.

10 At present SIS users have listed four main types of new features:
- Information types; this refers to the need for new categories of data for input into SIS, such as additional objects or categories of persons. It also covers changes in the types of information, such as additional information on persons and objects to be displayed on-screen or the use of photographs;
- Technical functions; these are meant to simplify day-to-day work for users by improving the technical possibilities; for example, the handling of national characters;
- Rules; some of the proposed new functions are directed towards changing existing rules, such as mandatory fields and duration of alerts;
- Access; the possibility of extending SIS II to new users is under discussion. Apart from access for the new Member States, the need to extend access to Europol and other institutions will be assessed.

already be implemented under the current system and will have to be taken into account in the new SIS II, many would depend technically on the development of SIS II.

Among the issues being debated are proposals to extend access to the SIS to a wider range of authorities, such as security and intelligence services, Europol, judicial authorities, Eurojust and asylum authorities, or possibly even to include authorities such as those which are responsible for residence permits.

These proposals, in particular those already planned in response to existing instructions from the European Council or following various initiatives, such as the proposal to grant access to Europol[11] envisaged under the Action Plan adopted in 1998 at the Vienna European Council, could be implemented fairly quickly and without excessively complex technical implications. The Commission also notes that access for judicial authorities could also be considered by the Council when it in discusses a European arrest warrant. The authorities mentioned in the framework decision should also have access to the system. Furthermore alerts under Article 95 for temporary detention with a view to extradition could be extended so as to contain all the additional information of the European arrest warrant, providing a basis on which to arrest and surrender wanted persons.

There are also a number of other issues relating to new categories of data which would be added to the current system or to the future possibility of making the SIS data available for wider police purposes and for wider purposes relating to the movement of persons in the Schengen area.

The Commission's view in this matter is that the debate should take full account of, and be complementary to, parallel developments in other areas under discussion in the European Union. In particular, the SIS should not duplicate the function of the Europol Information System, which is due to be implemented in 2002 as a support system for analysis and investigation of serious organised crime, but should rather focus on preventing and detecting threats to public order and national security.

As regards the other core function of the SIS, i.e. the application of the provisions on the free movement of persons, improving the role of the SIS should be evaluated in the appropriate Council framework. In this connection, it wishes to highlight point 26 of the conclusions of the JHA Council of 20 September, calling for the establishment of a network for exchanging information on visas issued. The Commission's view is that this question should be studied in connection with the development of SIS II. A new function for exchanging information on visas issued would involve information that is already obtained from or required of visa applicants. A visa function of this kind could be useful, in particular as an identification tool for the following purposes: combating terrorism and organised crime, ensuring the authenticity of issued visas at external borders, improving the examination of visa applications to make it easier to check the *bona fide* status of travellers (starting from the second application for a visa), facilitate movement for travellers who have lost their documents, and contributing towards returning illegal residents.

More generally in relation to its task in terms of technical development of SIS II, the Commission would like to stress that it is important for political guidelines on the proposed new functions, including on first-pillar related functions, to be laid down by the Council in December so as to make technical work easier.

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[11] The objective being to promote police assistance for the prevention and detection of criminal offences.

It would also emphasise that each of the new functions agreed by the Council, including those which could be gradually added in the longer term, will require careful assessment from the legal, data protection, financial and technical point of view.

Finally, the Commission recalls that due account will have to be taken of the European Parliament's opinion.

3. DEVELOPMENT OF SIS II FROM 2002

3.1. Technical work to be carried out

3.1.1. Project management from 2002

Being in charge of managing technical development from 2002, the Commission would like to specify a number of key elements in the approach it will follow, aimed at ensuring the success of the operation within a tight time-schedule. It will:

- ensure coherence and continuity in line with work undertaken within the Council structure. The development of SIS II will be run in close cooperation with the Member States, in particular through the committee procedure to be decided by the Council following the Belgian-Swedish initiatives.

- request the appropriate resources needed for the management of the project. A Project Management Team is currently being set up to coordinate development of the project and will be a clearly identified contact point for the Member States (see Annex). Additional external expertise will be called upon where necessary.

- take into account the internal guidelines it has developed for other major IT projects, in particular those drawn up to ensure that security aspects are incorporated at an early stage. Observing these guidelines will also make the public procurement procedures easier. Furthermore, the Commission will take advantage of earlier work that may be relevant, for instance certain projects, studies and research conducted under the Information Society Technology Programme (Fifth Framework Programme), the Interchange of Data between Administrations Programme (IDA), the e-Europe initiative, or EURODAC.

- ensure that there is independent external quality control (also including the feasibility study, as described below).

- ensure that data protection requirements are respected at all stages during the development phase. The Schengen Joint Supervisory Authority will have a role to play in this respect. In due course the European Data Protection Supervisor, once he has taken office, will also have to play the role conferred on him by the Regulation of 18 December 2000.[12]

[12] Regulation EC No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.

3.1.2. Technical aspects

3.1.2.1. Technical development phases of SIS II

Planning for the technical development of SIS II will follow the sequence described below. The Commission would point out, however, that the successful launch of the project requires that Member States first agree on the main functions of SIS II and that successful completion of the project requires that they should have agreed in due time on the functions and data to be handled by the final technical solution.

(1) Preparatory work and feasibility study

Alongside preparatory work under way in the Council,[13] a feasibility study, prepared in close association with the Member States, will be commissioned covering technical, financial and organisational aspects of the development and installation of SIS II.

The study will have to cope with changing political and legal constraints. The current debate on the nature of the SIS will inevitably have an impact on the technical solution to be considered as there is a significant difference between, for example, a system that only forwards messages and one which would also handle queries from end-users, as some are suggesting.

The study will have to assess the feasibility of a strategic approach involving an extendable technical infrastructure that could gradually be adapted to current and future requirements. It will also have to specify a feasible timetable for the installation of the system, help to identify any steps needed to reduce or eliminate risks involved in its implementation and check the conditions necessary for successful completion of the project within the deadlines set.

In addition, the study will examine whether it would be more efficient to have a centralised or decentralised system, even if this choice, going beyond the technical sphere, will have to be decided upon at political level.[14]

Finally it will provide a sound basis for committing the human and financial resources required to complete the project and ensure the workability of the technical solution finally chosen.

(2) Development and construction (through public procurement)

The second phase will begin with the launch of a call for tenders to select the supplier of the technical solution, who, under the responsibility and close supervision of the Commission, will begin implementation of the system.

The technical specifications for SIS II tenders will be based on the outcome of the feasibility study. The specifications will have to take due account of the requirements agreed by the Council (data, functions, access, etc.) or, in absence of such agreement,

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[13] The main documents prepared so far by the SIS-TECH Council working group in the framework of the preparatory works for SIS II will be carefully considered.

[14] It should be pinpointed that the choice to have or not a central part of SIS II should be distinguished from the assessment on the need to have, when SIS II will be operational, a central organisation to accomplish a number of tasks such as user helpdesk or monitoring of security.

permit options for new requirements that may arise. They should also enable the Commission to retain control over the system's development.

(3) Acceptance and customisation

Acceptance tests will be carried out before customisation, when the solution proposed will be checked against the technical requirements defined and, at a later stage after customisation, in the light of users' requirements. The content of customisation will depend on the flexibility of the solution chosen, according to whether it will need to be adapted to new functions or adapt itself to handle new functions.

(4) Migration to SIS II and preparations for the operational phase

Migration from SIS I to SIS II, together with preparations for integrating the new Member States, constitutes the final phase of the project.

Migration to SIS II will be subject to a risk assessment that will be carried out to determine whether it would be more effective to run the two systems in parallel in a pre-operational phase or to migrate directly from SIS I to SIS II.

In addition, to ensure that the operational phase gets off to a good start, the call for tenders described at (2) will ensure that the contractor has to provide maintenance and support.

3.1.2.2. Basic technical requirements

The current technical characteristics of the SIS must be taken into consideration when setting out the technical requirements for SIS II. Basically, the current function of the system is to validate and forward messages from Member States to all other Member States and to guarantee that all of them have the same data. It operates 24 hours a day and has to be protected by features allowing high availability and security.

On this basis, and bearing in mind the objectives and functions of the SIS, as well as the need to avoid reproducing current shortcomings in the new system, the technical solution sought should have the following basic characteristics:

– SIS II must be based on modern off-the-shelf technology, so as to offer a simple and manageable solution and keep down maintenance costs and changes in comparison with the current system;

– once set up, the IT solution should be easily adaptable to incorporate new fields or categories of data. It should also be possible to continue developing the technical solution while progressively adding new functions;

– a specific requirement should be to keep down the time needed for testing and making changes, such as incorporating the new Member States. In this respect, developing common national interfaces would be a crucial factor;

– in view of the higher number of end users and the potential new functions of SIS II, the new solution will have to be able to handle larger volumes of data than the current SIS;

– ensuring security is essential in the project and, in this respect, the full list of existing provisions will be the basis to build upon. The use of Common Standards and other possibilities will be explored.

3.1.2.3. The future network for SIS II

Defining the network to be used by SIS II (and its security) should be seen as a separate part of the overall solution and will have to be treated at least as a sub-project within the project. In the case of a centralised system, three main options require further evaluation:

- the use of the current network "SISNET", extended and adapted to handle a larger number of Member States and a more modern communication protocol;

- the use of IDA generic services, notably the TESTA European admnistrative network.

- a complete new network. This option, obviously the most costly, would require the same kind of planning, specifications, implementation phases, etc. as described above.

3.2. Institutional framework for the measures necessary for developing SIS II

Introducing SIS II is a large-scale project of major political importance. Obviously the project can only be completed in time through a sustained joint effort by all the institutions concerned and the Member States. Their degree of involvement, however, will vary according to the nature of the measures that will have to be adopted for the development of SIS II and its installation. A distinction therefore has to be made between technical and organisational measures and decisions and legislative measures.

Technical measures and decisions, in other words launching the feasibility study in 2002 and then an invitation to tender for the installation of SIS II, are the responsibility of the Commission.

However, as already indicated, it will not act alone in this task and will call on the expertise of the Member States, through the committee envisaged in the Belgian-Swedish initiatives.

The European Parliament will be kept informed of progress in line with the committee procedure specified in Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission[15] and with the Agreement between the European Parliament and the Commission on this subject.[16]

The legislative measures, which will mainly cover the aspects of the SIS referred to in Articles 92 to 118 of the Schengen Convention, will have to be based on the appropriate legal basis or bases in the Treaties and will not be dealt with under the committee procedure referred to above.

The institutions and the Member States will thus perform their proper role under these legal bases. It should be noted that the Member States, like the Commission, have a right of initiative under the Treaties, but for measures based on Title IV EC this right only extends up to 30 April 2004.

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[15] OJ L184, 17.7.1999, p. 23

[16] OJ L256, 10.10.2000, p. 19

The Commission would like to stress the importance of a clear definition of the measures under the two categories in order to determine the institutional framework in which each of the measures must be handled. With this end in view, the declaration to be made when the two Belgian-Swedish initiatives are adopted will list the elements in the development of SIS II that will come under the committee procedure set up to assist the Commission in its technical work or under legislative initiatives to be drawn up in the framework of the programme which the Belgian Presidency is about to initiate.

3.3. Determining the appropriate legal bases for legislative proposals to develop SIS II

The legislative instruments necessary to develop SIS II must be based on the appropriate legal basis or bases in the Treaties. In 1999 the debate held on this subject at the time of the integration of the Schengen *acquis* in the context of the EU was marked by an essentially pragmatic and, in itself, legitimate preoccupation, namely not to risk affecting the operational nature of the SIS by fixing a dual legal basis in the Treaties. The Commission considers that it should now be possible to reach an agreement on this point.

The Commission's position, which it defended during discussions on the breakdown of the elements of the Schengen *acquis*, is to emphasise that although SIS is an essential element in the cooperation developed under Schengen, it is not an end in itself but is meant to support implementation of the measures and forms of cooperation referred to in the other chapters of the Schengen Convention. The provisions on the creation of the SIS and its operation and use are explicit in this respect, the purpose of the SIS being to safeguard security and public order and to apply the provisions on the free movement of persons (Article 93). The SIS cannot therefore be reduced to an instrument for the sole benefit of police and judicial cooperation in criminal matters in the context of Schengen and does not fall solely under Title VI of the EU Treaty, but constitutes a mixed tool that also falls under the first pillar.

In support of this interpretation, the Commission would recall that the alerts referred to in Article 96 are used by the relevant authorities in connection with procedures for issuing visas, for controls on persons at external borders and within the Schengen area (compliance with conditions for entry and short-term stays), as well as in connection with procedures for issuing residence permits and the administration of foreigners. These are areas which, since the entry into force of the Treaty of Amsterdam, fall under the EC Treaty, notably Article 62. The Commission therefore considers that Article 96 of the Schengen Convention has its legal basis in the EC Treaty (Articles 62, 63 and 66).

Although an alert referred to in Article 96 may contribute towards preserving public order, it sometimes entails action that does not amount to a form of police cooperation within the meaning of Title VI of the EU Treaty (or Title III "Police and security" of the Schengen Convention). An alert for the purposes of refusing entry entails measures that fall under the heading of entry and residence of foreigners, whether they involve refusing a person a visa, removing them to an external frontier or deporting them if they are found within Schengen territory.

The Commission also takes the view that the elements of the Schengen *acquis* relating to the SIS itself are common to the first-pillar and third-pillar files (especially the provisions concerning the creation, operation and use of the SIS and those on data protection) and must be considered as having a dual legal basis.

The Commission would also point out that the Council Decision authorising the United Kingdom to participate partly in the SIS, like the two Belgian-Swedish initiatives, where the free movement aspect falls under the first pillar while police and judicial cooperation in criminal matters is based on the third pillar, confirm the mixed nature of the SIS.

This line of reasoning regarding the "breakdown" of the Schengen *acquis* between the first and third pillars also applies to the proposals necessary for the development of SIS II. Consequently, and because a "cross-pillar" proposal, i.e. based on both the first and third pillars, is not legally possible, the Commission considers that parallel proposals based on the first and the third pillar will have to be presented.

This is an element of legal complexity. However, determining the appropriate legal bases for proposals forming a development of the Schengen *acquis* is an obligation flowing from the Schengen Protocol and must be conducted objectively, in full compliance with the Treaties.

These difficulties are not insoluble and legally correct solutions could be found, for example by deciding to implement an instrument under the first pillar at the same time as one under third pillar.

3.4. The effects of "variable geometry"

Another legal difficulty relates to the "variable geometry" that applies in the areas under Title IV of the Treaty, which stems from the Protocols annexed to the Treaty of Amsterdam on the participation of certain Member States of the European Union – Denmark, Ireland and the United Kingdom – in the planned measures. In addition the association agreement concluded by Iceland and Norway with the European Union raises the question of their participation in the development of the Schengen *acquis*.

Under Council Decision 2000/365/EC, the United Kingdom will not take part in Article 96 of the Schengen Convention or other provisions relating to SIS except to the extent that they do not relate to Article 96. Under Article 8(2) of the Decision, the United Kingdom is deemed irrevocably to have notified the President of the Council under Article 5 of the Schengen Protocol that it wishes to take part in all proposals and initiatives which build upon the Schengen *acquis*, as it is authorised to do by the Decision. This therefore applies to proposals for the development of SIS II except those relating to Article 96.

The position of Ireland should be the same, as the mechanism provided for in the draft Council decision currently under consideration is similar to that adopted for the United Kingdom.

Moreover, the question of the possible participation of the United Kingdom and Ireland in new functions to be incorporated in SIS II will be governed by the relevant Protocols annexed to the Treaty of Amsterdam and/or the provisions adopted in application of those Protocols.

In the case of Denmark, a distinction has to be made between proposals based on Title VI of the EU Treaty and those based on Title IV of the EC Treaty, as Denmark participates fully in the former but not in the latter.[17] However, in the case of measures aimed to develop the Schengen *acquis*, Denmark may, under Article 5 of the Protocol, decide whether to transpose such a measure into its national law within six months of its adoption by the Council.

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[17] Protocol annexed to the Treaty of Amsterdam on the position of Denmark.

Finally, regarding Iceland and Norway, Articles 92 to 118 of the Schengen Convention are part of the material scope of the Agreement concluded between the European Union and the two countries on their association with the establishment, application and development of the Schengen *acquis*. Legislative proposals to develop SIS II, whatever their legal basis, will therefore also have to be discussed in the Mixed Committee set up by the Agreement.[18]

3.5. Financial aspects of developing SIS II

The financial implications of the technical development and installation of SIS II cannot be spelled out precisely at this stage, but some indications can already be given on the basis of the figures provided by the Council in the financial statement accompanying the Belgian-Swedish initiatives as well as on the basis of the current SIS system and comparisons with IT projects of a similar scale.

The financial implications will, of course, also depend on the structure and content of the system to be put in place. This first evaluation is detailed in financial statement annexed to this communication, which is based on a sound but indicative estimate of the costs of the various aspects of the projects, including the human resources involved. Without allocation of the appropriate financial and human resources to the project by the budgetary authority, the development of SIS II in time will be impossible.

The feasibility study to be launched in 2002 should provide additional elements to confirm the figures which are given here.

It should also be recalled that the contribution by Iceland and Norway towards the cost of developing SIS II will have to be decided in accordance with Article 12(1) of the Agreement concluded with the Union.

4. THE MANAGEMENT OF SIS II IN OPERATION

Some initial reflection on the future management of SIS II in operation and the possibility of entrusting the central component to an agency took place during work on integrating the Schengen *acquis* into the legal framework of the Union. The option studied at the time sought to allow the institutional aspects of the SIS to be adapted to its new institutional environment. The Decision envisaged was meant to complement the decisions on the determination and breakdown of the SIS *acquis*, to which it referred. But in the absence of a decision on the breakdown of the provisions on the SIS between the first and third pillars, the discussions were unable to proceed. More recently, the Coelho report of 21 June 2001 produced as part of the European Parliament's evaluation of Schengen cooperation recommended the creation of a separate agency financed by the Community budget.[19]

In the Commission's view, it is too early to decide on one option or the other. In addition, such a debate should not, at this stage, divert work on the main priority, which is the development of the system itself.

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[18] The association of Iceland and Norway with the work of the Commission in the context of committee procedures will have to be settled in accordance with the exchange of letters annexed to the association agreement.

[19] Coelho Report, A5-0233/2001

However, the debate cannot be totally ignored, not least because it is clear that agreement in the Council on the central management structure will be necessary before the development and installation of SIS II is completed in order not to undermine its operation and the effort put into its development. In fact, regardless of the technical choice of whether the system should include a central component, a central unit would be needed to carry out various executive tasks, including the helpdesk function, monitoring security and maintenance.[20]

Consequently, the Commission wishes to bring the following aspects into the debate.

- The Belgian-Swedish initiatives relate to a single integrated system, a solution which is also endorsed by the Commission. It should be borne in mind that any decision to finance SIS II once it is operational will have to take due account its mixed basis under the first and third pillars.

- When considering possible options for managing the complex technical content of SIS II, the Commission would like to call on the thinking already under way on how to deal with the increasingly common situation where the Community faces new regulatory developments in highly technical fields requiring a high degree of specialisation. This has led the Commission to further elaborate on tasks which might lead to externalisation.[21] In view of the dual nature and highly technical content of SIS II, its management may actually call for externalisation.

- Externalisation can take several forms, including decentralisation, outsourcing and devolution. Once again, focusing on one option rather than another is premature at this stage since the options may vary according to decisions on the architecture and the content of the system. To start off the debate however, the Commission wishes to clarify the content of the concepts that will be further examined when addressing the issue of the management of SIS II:

- Decentralisation refers to the delegation of executive responsibilities to national public bodies with a public service mission backed by the State, which act as partners in implementing some Community policies. This option, mainly appropriate for a kind of management by networking, when collaboration with national partners to take into account specific local requirements is needed, might not be relevant, however, when considering the management of the central component of SIS II.

- Outsourcing refers to external contracts with private sectors. The contractors are not permitted to exercise public authority or discretionary powers and may only be entrusted with clearly defined technical and executive tasks. This option however, even if conceivable for purely maintenance tasks, should be evaluated in the light of the sensitivity of the SIS.

- Devolution refers to the delegation of executive responsibilities to public bodies, usually called agencies. As regards agencies, different options are possible, including in the light of existing precedents, depending on whether the tasks entrusted to them are purely executive or include management and whether their mandate places them under the first pillar and/or the third pillar (for instance the EMCDDA or Europol).

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[20] At this early stage, however, the result of the feasibility study is still needed to have a complete picture of the tasks of a future centralised unit and the amount of human resources that it will require.

[21] Communication on matching the Commission's activities with its human resources (SEC 2000/200),

At this stage, it is not possible to define precisely what tasks might be assigned to the management structure of SIS II. Clearly, however, the solution chosen should take into account the mixed nature of SIS II and ensure continuity with SIS I, retaining the advantages of a single integrated system.

Setting up an agency based on the appropriate provisions of the Treaties would offer many advantages, combining autonomy of action, inclusion of the Member States' expertise, and accountability. The advantage of this fairly flexible option should also be considered in the more general context of the current development or discussion of other operational and administrative instruments which could be handled by such an agency, for instance in the field of asylum, such as EURODAC. The need to develop a central SIRENE office to improve the coordination and quality of work could eventually arise, in particular following the discussion on new functions. If this is the case, the new body could be located on the same site as the central component of SIS II.

Other options, such as entrusting the management of SIS II to an agency such as Europol, could be evaluated in the long term. However, any evaluation would have to take account of the fact that third-pillar rules and procedures could not be applied to a single system which would include first-pillar related aspects without conflicting with the changes introduced by the Treaty of Amsterdam.

At all events the Commission considers that the option chosen will have to guarantee the operational effectiveness and continuity of the SIS and respect the institutional framework of the Union.

5. THE INVOLVEMENT OF THE FUTURE MEMBER STATES OF THE EUROPEAN UNION

Article 8 of the Schengen Protocol states: *"For the purposes of the negotiations for the admission of new Member States into the European Union, the Schengen acquis and further measures taken by the institutions within its scope shall be regarded as an acquis which must be accepted in full by all States candidates for admission"*. The entire Schengen *acquis* and its developments – including those concerning the SIS – will therefore have to be accepted and, when the time comes, implemented by the new Member States.

In this connection, it should be noted that in order to be able to be part of the area without internal frontiers, a Member State must participate fully in an operational SIS. Such participation is an essential prerequisite to lifting controls at the frontiers between the new Member State and the Member States that are already part of that area.

As indicated earlier, one of the objectives of developing SIS II is precisely to establish a system allowing the integration of the new Member States. It must be possible for them to be integrated as closely as possible to the date of their accession.

The candidate countries therefore need to be properly involved in development work on SIS II in good time.

Initially this would entail an information phase. The Commission would inform the candidate countries regularly of progress in development work on SIS II. The Commission will examine the possibility of organising a first information seminar in 2002. It is already inviting the candidate countries to react to this communication by sending it any observations they may have on SIS II and its development (including their expectations as regards their involvement

in the work) and any information the Commission might need, which it will specify during development of the project.

The way in which the candidate countries could be involved in the committee assisting the Commission on the technical aspects of development of SIS II will be specified later, taking particular account of the general principles applicable to the participation of the candidate countries as observers in the work of committees and having regard to the sensitivity of the project to develop SIS II.

6. CONCLUSIONS

The Schengen Information System is an essential factor in establishing an area of freedom, security and justice. It contributes to the implementation of the policies provided for in the Treaty on the free movement of persons and constitutes a vital tool for day-to-day cooperation between police forces and judicial authorities. Technical advances, new needs that have become apparent in the course of practical experience with the current SIS, the changed legal context following the Treaty of Amsterdam, and lastly the prospect of enlargement of the Union all militate in favour of developing a second-generation SIS.

The Community budget will finance this development. In view of its role under the Treaties, in particular its responsibility for execution of the Community budget, the Commission has agreed to take responsibility for the project.

It would, however, point out that work on the technical development of SIS II will have to be based on a clarification of the functions and purposes of SIS II. The Commission would therefore draw the Member States' attention to the need for rapid progress in discussions on this question.

It would also like to stress that the development and installation of the system within the deadline set by the Council, i.e. by 2006, demands that the necessary resources, especially human and financial, be made available.

The Commission will play the role assigned to it fully from 2002 but is preparing for it already and would like to spell out precisely the approach it intends to take.

This communication takes stock of the situation of preparatory work under way and proposes a scenario of the action to be undertaken. At present not every detail can be determined precisely. Consequently some technical options will depend on political decisions to be taken. But the overall scenario can already be defined and work begun. A study will be carried out in 2002, in preparation for the call for tenders which the Commission will have to launch for the installation of the system. This study will also inform the Commission's preparation of a detailed proposal on the management of SIS II which will have to be presented well before 2006 so that SIS II can start up without interruption.

As regards the technical development of SIS II, the Commission wishes to emphasise that it will need the support and cooperation of the Member States and Parliament in the areas that concern them and in accordance with the procedures laid down. The expertise of the Member States in particular will be requested in accordance with the committee procedure in the course of being adopted by the Council following the Belgian-Swedish initiatives and in coordination with the work under way at the same time in the Council on non-technical aspects that are essential for the development of a technical solution.

It will be essential in order not to compromise the sound development of the technical aspects of the project for the Council to reach the necessary consensus on the political and legal questions linked to SIS II.

It is also essential for the candidate countries to be kept informed and to be able to be involved as soon as possible in this work in view of the impact it will have on their preparations for integration in the Union and on their participation in Schengen cooperation.

The Commission will see that Parliament is kept regularly informed of progress.

ANNEX

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): JHA

Activit(y/ies):Cooperation in the field of Title IV TEC (visa, asylum, immigration and other policies to the free circulation of persons) and o fTitle VI TEU (police and penal judicial cooperation)

TITLE OF OPERATION: DEVELOPMENT OF SIS II SYSTEM

1. BUDGET LINE(S) + HEADING(S)

PART A : A-7000 Auxiliary Agents ; A-7003 Detached National Experts

A-701 Mission expenses ; A-7030 Meetings ; A-7031 Committees

PART B : B5-840 - Schengen

2. OVERALL FIGURES

2.1 Total allocation for action (Part B): € 23.0 million for commitment

2.2 Period of application:

2002-2006

2.3 Overall multiannual estimate of expenditure:

a) Schedule of commitment appropriations/payment appropriations (financial intervention) *(see point 6.1.1)*

(€ million to three decimal places)

	2002	2003	2004	2005	2006	2007	Total
Commitments	0.500	-	5.200	5.700	5.000	-	16.400
Payments	0.300	0.200	4.000	4.250	4.250	2.400	16.400

b) Technical and administrative assistance and support expenditure *(see point 6.1.2)*

Commitments	0.350	0.500	0.300	0.300	0.350		1.800
Payments	0.300	0.500	0.300	0.300	0.200	0.200	1.800

(rounded amounts)

Subtotal a+b							
Commitments	0.850	0.500	5.500	6.000	5.350		18.200
Payments	0.600	0.700	4.300	4.450	4.450	3.600	18.200

c) Overall financial impact of human resources and other administrative expenditure *(see points 7.2 and 7.3)*

Commitments/ Payments	0.500	1.000	1.100	1.100	1.100		4.800

TOTAL a+b+c							
Commitments	1.350	1.500	6.600	7.100	6.450		23.000
Payments	1.100	1.700	5.400	5.650	5.550	3.600	23.000

2.4 Compatibility with financial programming and financial perspective

☑ Proposal is compatible with existing financial programming.

☐ Proposal will entail reprogramming of the relevant heading in the financial perspective.

☐ Proposal may require application of the provisions of the Interinstitutional Agreement.

2.5 Financial impact on revenue:

☑ Proposal has no financial implications (involves technical aspects regarding implementation of a measure).

OR

☐ Proposal has financial impact – the effect on revenue is as follows:

(NB All details and observations relating to the method of calculating the effect on revenue should be shown in a separate annex.)

(€ million to one decimal place)

		Prior to action (Year n-1)	Situation following implementation of action					
Budget line	Revenue		Year n[3]	n+1	n+2	n+3	n+4	n+5
	a) Revenue in absolute terms[1]							
	b) Change in revenue[2]	Δ						

(Please specify each budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)

3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
Non-comp	**Diff**	**NO**	**NO**	**YES**	**No 3**

4. LEGAL BASIS

This statement is not a financial statement accompanying a legislative proposal but a statement on the launch of a project. The development and installation of SIS II will require the timely adoption of legislative measures which will have to be based on Articles 30, 31 and 34 EU, and 62, 63 and 66 EC.

5. DESCRIPTION AND GROUNDS

5.1 Need for Community intervention

5.1.1 Objectives pursued

The SIS is an essential tool for the proper practical operation of free movement for persons within the area without controls at internal frontiers referred to in Title V of Part Three of the EC Treaty. The current system, devised around ten years ago and in operation since 1995, needs to be modernised and modified to allow the participation of all the Member States after enlargement. The necessary studies and operations need to be started in order to introduce a second generation SIS. The expenditure required for these studies and operations will be charged to the general budget of the European Communities.

5.1.2 Measures taken in connection with ex ante *evaluation*

The financial statement made in this sheet relates to the procurement of technical expertise, management expertise, hardware and software, etc. during the entire project life cycle and is based on:

- initial estimates made in the Belgian-Swedish initiatives;
- evaluation of the consequences of the on-going work in the Council working groups;
- estimates based on Commission's guidelines and experience in IT projects;
- experience in developing and managing the current SIS and the differences that are foreseen or expected between the two systems. It should be noted that the SIS 1+, and migration to the SISNET network, have entailed a total cost of € 11 million since the project was started. SIS II must be able to handle a much larger number of countries, more information types, larger volumes of data, stricter security and must also offer a flexible

solution that can survive the years after its introduction when new requests for changes will occur.

The SIS II project is a large scale project, comparable to other major Community IT projects such as the CIS or the "Transit" system.[22] The total amount involved is higher than the rough figures initially put forward in the financial statement annexed to the Belgian-Swedish initiatives proposing a committee procedure to assist the Commission in its work, but is grounded on a thorough analysis of the usual needs for IT projects of this scale and sensitiveness, especially in terms of management of the project and system development.

However carefully the cost analysis for the project has been carried out, the figures given must be considered as working hypothesis. The figures for 2002 are based on an assessment of requirements for launching the project. For 2003 and onwards, the figures are inevitably indicative as they will have to be revised in the light of the outcome of the feasibility study. They could also be affected by decisions taken by the Council with an impact on the project and the technical solution to be chosen for SIS II.

5.1.3 Measures taken following ex post *evaluation*

(Where a programme is being renewed the lessons to be learned from an interim or ex post *evaluation should also be described briefly.)*

Because the conception and management of SIS II is the responsibility of the Member States, there is no Community-level ex-post evaluation.

The development of SIS II, as proposed in this Communication, will nonetheless take account of the experience gained from the development and management of SIS I.

5.2 Actions envisaged and budget intervention arrangements

(1) Feasibility study

A feasibility study will be commissioned, prepared in close association with the Member States, to cover technical, financial and organisational aspects of the development and installation of SIS II.

The study should provide a sound basis for committing the human and financial resources required for both completion of the project and the workability of the solution finally chosen.

The study will assess the approach to be followed in developing the technical infrastructure of SIS II. It will also specify a feasible timetable for installation of the system, help to identify steps necessary to reduce or eliminate any risks involved in implementation, check the conditions necessary for successful completion of the project within the deadlines given, and analyse a network solution for SIS II and its cost.

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[22] The "Transit system", a new Customs system launched and managed by the Commission, had a financial volume of € 15 million in its first phase (pilot system) and will cost an additional € 15 million in its second phase.

In addition, the study will examine whether it would be more efficient to have a centralised or decentralised system, even if this choice, going beyond the technical work, will have to be decided upon at political level.

(2) Development and construction phase

The second phase will begin with a call for tenders to select the supplier of the technical solution who, under the responsibility and close supervision of the Commission, will start implementation of the system.

(3) Acceptance and customisation phases

Acceptance tests will be carried out before customisation, when the solution proposed will be checked against the technical requirements defined and, at a later stage after customisation, in the light of users' requirements. The content of customisation will depend on the flexibility of the solution chosen, depending on whether it will have to be adapted to new functions or adapt itself to handle new functions.

(4) Migration to SIS II and preparations for the operational phase

Migration from SIS I to SIS II, together with preparations for integrating the new Member States, constitutes the final phase of the project. Migration to SIS II will be subject to a risk assessment to determine whether it would be more effective to run the two systems in parallel in a pre-operational phase or to migrate directly from SIS I to SIS II.

In addition, to ensure that the operational phase gets off to a good start, the call for tenders described under (2) will ensure that the contractor has to provide maintenance and support.

5.3 Methods of implementation

Implementation of development work will be managed directly by the Commission using internal and external resources (auxiliary staff and national experts), since high-quality technical expertise is required. The Member States will be closely involved in the work via the committee which will have to be set up for this purpose following the Belgian-Swedish initiatives.

6. FINANCIAL IMPACT

6.1 Total financial impact on Part B - (over the entire programming period)

(The method of calculating the total amounts set out in the table below must be explained by the breakdown in Table 6.2.)

6.1.1 Financial intervention

Commitments (in € million to three decimal places)

Breakdown	2002	2003	2004	2005	2006	2007 et exercices suivants	Total
Action 1 Feasibility study	0.500						0.500
Action 2 System acquisition and implementation			4.700	4.700	4.500		13.900
Action 3 Deployment and migration				0.500	0.500		1.000
Action 4 Network			0.500	0.500			1.000
TOTAL	0.500		5.200	5.700	5.000		16.400

6.1.2 Technical and administrative assistance, support expenditure and IT expenditure (commitment appropriations)

	2002	2003	2004	2005	2006	2007 et exercices suivants	Total
1) Technical and administrative assistance:	0.250	0.250	0.250	0.250	0.250		1.250
a) Technical assistance offices							
b) Other technical and administrative assistance: - intra muros: - extra muros: *of which for construction and maintenance of computerised management systems:*	0.100	0.250	0.050				0.400
Subtotal 1	0.350	0.500	0.300	0.250	0.250		1.650
2) Support expenditure:							
a) Studies							
b) Meeting of experts				0.050	0.050		0.100
c) Information and publications							
Subtotal 2				0.050	0.050		0.100
TOTAL	0.350	0.500	0.300	0.300	0.300		1.750

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)

(Where there is more than one action, give sufficient detail of the individual measures to be taken for each one to allow the volume and costs of the outputs to be estimated.)

Commitments (in € million to three decimal places)

Breakdown	Type of outputs (projects, files)	Number of outputs (total for years 1…n)	Average unit cost	Total cost (total for years 1…n)
	1	2	3	4=(2x3)
Action 1				
- *Measure 1*				
- *Measure 2*				
Action 2				
- *Measure 1*				
- *Measure 2*				
- *Measure 3*				
etc.				
TOTAL COST				

If necessary explain the method of calculation.

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1. Impact on human resources from 2004

As SIS II will be established progressively, the impact on human and financial resources in 2002 and 2003 will be less, as indicated below :

Types of post		Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
		Number of permanent posts	Number of temporary posts		
Officials or temporary staff	A B	3 1		3 1	*If necessary, a fuller description of the tasks may be annexed.*
Other human resources		8		8	2 Aux.A 1 national expert 4 Aux.B 1 Aux.C
Total		12		12	

Impact on human resources in 2002 : 2 AUX A, 1 END, 1 AUX C.

Consolidated impact on human resources in 2003 : 4 officials, 2 AUX A, 1 END, 1 AUX B, 1 AUX C.

7.2 Overall financial impact of human resources

Type of human resources	Amounts (€)	Method of calculation *
Officials Temporary staff	432.000	4 officials 108.000*4
Other human resources	182.000 43.000 42.000 216.000	2 Aux A 91.000*2 1 nat. exp. 43.000 1 AUX C 42.000 4 AUX B 54.000*4
Total	915.000	

Overall financial impact of human resources in 2002 : 267.000 Euro.

Consolidated overall financial impact of human resources in 2003 : 753.000 Euro.

The amounts are total expenditure for twelve months.

7.3. Other administrative expenditure deriving from the action

Budget line (No and heading)	Amounts (€)	Method of calculation
Overall allocation (Title A7) A0701 – Missions A07030 – Meeting A07031 – Compulsory committees[1] A07032 – Non-compulsory committees[1] A07040 – Conferences A0705 – Studies and consultations Other expenditure (specify)	 26.760 60 000 140 000	 10 missions Strbg 745*10 12 missions appl. countries 1800*12 4 meetings/year*15.000 10.000 * 14 meetings
Information systems (A-5001/A-4300)		
Other expenditure - Part A (specify)		
Total	226.760	

Other administrative expenditure in 2002 : A 07031 obligatory committees 100.000 Euro, A 0701-missions 8.200 Euro.

The amounts are total expenditure for twelve months.

[1] Specify the type of committee and the group to which it belongs.

I.	Annual total from 2004 (7.2 + 7.3)	€ 1.141.760
II.	Duration of action	5 years
III.	Total cost of action (I x II)	€ 4.780.760

(In the estimate of human and administrative resources required for the action, DGs/Services must take into account the decisions taken by the Commission in its orientation debate and when adopting the preliminary draft budget (PDB). This means that DGs must show that human resources can be covered by the indicative pre-allocation made when the PDB was adopted.

Exceptional cases (i.e. those where the action concerned could not be foreseen when the PDB was being prepared) must be referred to the Commission for a decision on whether and how (by means of an amendment of the indicative pre-allocation, an ad hoc redeployment exercise, a supplementary/amending budget or a letter of amendment to the draft budget) implementation of the proposed action can be accommodated.)

8. FOLLOW-UP AND EVALUATION

8.1. Follow-up arrangements

Every six months the Commission will present to the Council and the European Parliament a progress report on development work for SIS II.

8.2. Arrangements and schedule for evaluation

It is intended to evaluate the results of actions 2,3 and 4 foreseen in point 5.2 after they have been completed. The details of this evaluation will be determined largely in the light of the results of the feasibility study.

9. ANTI-FRAUD MEASURES

The Commission procedures for the award of contracts will be applied, ensuring compliance with Community law on public contracts.