



# Annual Activity Report for 2008

## European Union Agency for Fundamental Rights







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European Union Agency  
for Fundamental Rights



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# Part 1

## Achievements by Area of Activity

### 1.1 Main results achieved

As part of its objective to collect comparable data and information in order to provide EU policy-makers with a solid factual basis when they implement Community law and take measures fully to respect fundamental rights, the Agency completed in 2008 its biggest single project to date. This is an EU-wide quantitative survey of selected immigrant and ethnic minority groups' experiences of discrimination and criminal victimisation ('EU-MIDIS' – European Union Minorities and Discrimination Survey). Using the same standardised questionnaire, the survey has produced comparable statistical data on minority groups' opinions on and experiences of discrimination across different Member States. It is the first EU-wide survey of its kind to produce comparable data on minorities. The dissemination of the results of the survey as well as the accompanying analyses, in particular in the context of an event in cooperation with the EU Presidency, will occur in 2009.

As part of the same objective, the Agency also completed a school-based quantitative survey in three EU Member States on "Racism and Social Marginalisation". As with EU-MIDIS, the survey has produced comparable data on minority groups' opinions on and experiences of discrimination across different Member States by using a standardised questionnaire. The findings of this survey and the accompanying analyses will also be disseminated in 2009 to key stakeholders and policy-makers (European Commission, Member States, civil society). In another initiative to support policy-makers (in this case relevant ministries from Member States and law enforcement agencies) in taking measures to respect fundamental rights, the Agency collected good practice examples in addressing discriminatory ethnic profiling by law enforcement, customs and border control officials. The resulting "Ethnic Profiling: Good Practices Handwork" will be published in 2009, and will be used in conjunction with the findings of EU-MIDIS on minorities' experiences of police stops to develop training material for law enforcement officers in cooperation with the EU Agencies CEPOL and FRONTEX.

Another of the objectives of the Agency is to provide EU policy-makers with conclusions and opinions, based on evidence derived from scientific research, which will support them in the protection and promotion of fundamental rights when implementing Community law. In this context, one of the Agency's most important products is the Annual Report on fundamental rights issues. Based on secondary data collected by the Agency's contractors (the RAXEN and FRALEX networks), the Annual Report examined the situation regarding racism, xenophobia and related intolerances as well as good practices combating these phenomena in the Member States. The Annual Report also contained conclusions and opinions

targeted at European Institutions and the Member States. The Annual Report was presented in June 2008 to the LIBE Committee of the European Parliament and, in its resolution of 14 January 2009 on the situation of fundamental rights in the European Union 2004-2008, the European Parliament called upon the Member States and the European Commission to follow the recommendations contained in the Agency's Annual Report.

In the same context of providing EU policy-makers with evidence based opinions and at the request of the EU Presidency, the Agency presented an opinion on the Commission's proposal for a Council framework decision on the use of Passenger Name Record (PNR) data for law enforcement purposes. The Agency's opinion provided an overview of relevant fundamental rights issues focusing on the right to respect of private life, the right to data protection and the prohibition of discrimination. On 28 November 2008, the JAI Council adopted the Presidency's report on the PNR data, which incorporated many of the elements of the Agency's opinion. In addition, in the LIBE Committee's "proposal for a European Parliament recommendation to the Council on the problem of profiling, notably on the basis of ethnicity and race, in counterterrorism, law enforcement, immigration, customs and border control" of 12 December 2008, the Agency's opinion on PNR data was referenced several times as one of the bases of the recommendation.

Furthermore, in response to a request from the European Parliament, the Agency published a comparative legal analysis of the situation concerning homophobia and discrimination on grounds of sexual orientation in the European Union. The European Parliament's LIBE Committee held a public hearing, on 8 December 2008, on „Combating discrimination beyond the field of employment: the new article 13 Directive“. The Agency was invited to contribute to this hearing by presenting the findings of the comparative legal analysis. Also in the context of assisting EU Institutions with evidence based support, the Agency published a comprehensive "incident report" which, in a factual and impartial manner, reported on the anti-Roma violent events in the Ponticelli district of Naples in Italy. The Agency's incident report was used as evidence in the report on the nomad camps emergency by the LIBE Committee's delegation which visited Italy on 18-19 September 2008.

Another objective of the Agency is to raise public awareness of fundamental rights and actively to disseminate information about its work. In this context, The Agency co-hosted with the EU Presidency a Fundamental Rights Conference on the topic of freedom of expression (held in Paris, on 8-9 December 2008). The conference coincided with the 60th anniversary of the Universal Declaration on Human Rights, and was structured around five thematic areas: freedom of expression in a democratic society; freedom of expression and the development of new media; freedom of expression and defamation; challenges to freedom of expression; and freedom of expression and diversity in the media. The outcomes of the conference will feed directly into the work that the Agency is undertaking on media and diversity and its training programme with journalists and media professionals. In particular, the Agency has an ongoing cooperation on



media and diversity issues with the European Broadcasting Union (EBU). The main result of this cooperation to date is the “Diversity Toolkit for factual programmes in public service television”. Compiled by media professionals under the auspices of the EBU, the toolkit is a guide for TV journalists on how to reflect the cultural diversity of society in news and current affairs programmes, and focuses on the representation of ethnic, cultural and religious minorities. The Agency published the English and French versions of the toolkit (a first print run of 1,000 copies was exhausted within 3 months) as a means to raise the media’s awareness on issues it had identified in the context of its work on media and racism. In order to promote the practical implementation of the Diversity Toolkit, the Agency co-organised with the EBU a one-day train-the-trainer seminar with participants from 13 EU Member States, including human resource managers, TV producers, senior editors, and media ethics ombudsmen. The seminar was very positively received by the participants according to the evaluation forms completed by them.

Also in the context of raising public awareness of fundamental rights, and on the occasion of the European Year of Intercultural Dialogue, the Agency organised its 2nd Diversity Day (the 1st was held in 2007) in Vienna’s City Hall, on 10 November 2008. The event was organised in cooperation with the city of Vienna and local schools and with the participation of young people from EU countries neighbouring Austria (Hungary, Slovakia and the Czech Republic). In addition, youth groups from partner cities of the Local Communities Network (Barcelona, Bradford, Sheffield) were invited to Vienna. Diversity Day provided opportunities for young people interactively to engage with the Agency and with human rights NGOs. The event promoted learning and understanding of fundamental rights issues in a non-formal setting, and the number of participating young people increased to 3,000, as compared to 2,000 in 2007.

Another of the Agency’s objectives is not only to collect but also to record relevant, objective, reliable and comparable information and data. In this context, very important are the Agency’s online documentation resources. In 2008, the Database and the InfoBase were merged into the Agency’s InfoPortal (online since November). This contains, among other sources, updated case law, publications and statistics on racist violence and crime.

## 1.2 Main outputs

- Annual Report on fundamental rights issues.
- Opinion on use of PNR data: Agency’s Opinion on the Commission’s proposal for a Council framework decision on the use of Passenger Name Record (PNR) data for law enforcement purposes.
- Homophobia: Homophobia and Discrimination on Grounds of Sexual Orientation in the EU Member States - Part I: Legal Analysis.

- Ponticelli: Incident Report: Violent attacks against Roma in the Ponticelli district of Naples, Italy.
- Fundamental Rights Conference: Held in Paris on 8-9 December 2008.
- Media and diversity: Diversity Toolkit for factual programmes in public service television, diversity toolkit train-the-trainer seminar.
- Diversity Day: Diversity Day event held in Vienna on 10 November 2008.
- InfoPortal: Merge of Database and InfoBase.

The following was completed in 2008 but was published in 2009:

- EU-MIDIS: technical report, results report, executive summary, full survey dataset.

### 1.3 Differences between plans and actuals

A number of factors impacted on the implementation of the Agency's Annual Work Programme in 2008. To begin with, for almost the whole of the first half of the year, the Agency focused on the areas of racism, xenophobia and related intolerance. This was due to the fact that the Multi-annual Framework (MAF), the legal basis that would allow the Agency to expand its activities into the new areas of its mandate, was adopted quite late into 2008. Secondly, the late adoption of the MAF necessitated the formulation and adoption of an Annual Work Programme, amended to include some of the new areas in the Agency's mandate, even later. Thirdly, the late appointment of the Director led to the necessary, given the Agency's expanded mandate, new recruitments to remain in abeyance for most of 2008. Finally, a number of unforeseen factors (namely, the request from the EU Presidency for an opinion on the PNR data issue, and the violent events at Ponticelli in Italy), to which the Agency is mandated to respond, necessitated the redeployment of both financial and human resources from some of the activities foreseen in the 2008 Annual Work Programme.

The cumulative effect of the above factors was that the execution of a certain number of activities, foreseen in the Annual Work Programme and planned for 2008, had to be postponed. For example, two thematic studies ("Comparative assessment of data protection measures and relevant institutions" and "Impact of the Race Equality Directive") were carried over into 2009.

The Agency has taken and is continuing to take concrete measures to prevent such occurrences in the future. To begin with, recruitment is progressing briskly, and it is expected that, by the end of 2009, the Agency will be functioning on a full staffing table. Secondly, the Annual Work Programme for 2009 prioritised the Agency's projects into two categories: those that it is essential to execute and

those that can be postponed. This will allow the Agency to respond to unforeseen requests from stakeholders and/or to unforeseen events with a minimum of disruption to its planned and essential activities. Finally, the process of formulating and adopting the Annual Work Programme is being continuously streamlined. These efforts have already paid some dividends. The Annual Work Programme for 2009 was adopted before the beginning of the year of its application. It is also hoped that the Annual Work Programme for 2010 will be adopted by the middle of 2009, and that the Annual Work Programme for 2011 will be adopted by the end of 2009. Such early adoption of the Annual Work Programmes will considerably facilitate and improve the Agency's operational planning.

## Part 2

# Management and Internal Control Systems

### 2.1 Inherent nature and characteristics of the Agency's risk and control environments

#### General overview

The purpose of the Agency is to collect, record and analyse data in the area of fundamental rights. Based on its analyses, the Agency disseminates the relevant information to its stakeholders, the European Union Institutions, bodies, offices and Agencies, and the Member States. This information is intended to assist the Agency's stakeholders when implementing Community law or when formulating courses of action for the protection and promotion of fundamental rights.

In order to achieve its objective the Agency collects data via its framework contractors, organises meetings with external experts and, whenever necessary, sets up ad-hoc working parties. Data collection is undertaken by these framework contractors on the basis of technical specifications prepared by experienced staff members taking into account the nature of the risk and control environment. The deliverable is evaluated and reviewed by the Agency. On the basis of the data collected, the Agency formulates analyses, conclusions and opinions which are communicated to its stakeholders. Communication and awareness raising activities consist of dialogue with civil society; publication of reports, conclusions and opinions; organisation of events and conferences; managing the Agency's web presence, etc.

Data collection activities may involve risks such as poor collection methods, non comparability or collection of irrelevant data, and failure to collect data that meet the Agency's objectives. The Agency addresses these issues by clearly defining the type of data that is required to be collected in the technical specifications of its tendering procedures. It also ensures that all framework contractors gather the same type of data for all Member States. The Agency monitors the quality of data collected in order to ensure that the information presented to its stakeholders is of the highest quality.

Research activities are often concluded on the basis of surveys. Expressing views from over-enthusiastic respondents, ambiguous and unstructured questionnaires, low response rates, and selection of bias sampling frames are potential risks that may arise from this activity. The Agency launches its tendering procedures linked to research activities keeping in mind that questionnaires need to be unambiguous and as short as possible. Questionnaires are carefully selected

in order to be specific and relevant to the subject avoiding hypothetical questions. Attention is also given to questions which may lead the interviewees towards particular answers.

The Agency designs the selection criteria of its tendering procedures by keeping a balance between the professional capacity of the potential contractors and the principle of non-discrimination. During the selection phase economic operators are filtered and those that are found not capable to undertake the tasks due to their financial or technical capacity are excluded. The award phase takes into consideration the quality of the technical offers. The Agency awards contracts linked to its activities to economic operators offering best value for money.

Contracts with a value greater than 60,000 EUR are evaluated by an evaluation committee. This committee consists of five members with no hierarchical link between them and representing at least two different departments. Each member of the evaluation committee declares absence of conflict of interest before the initiation of the procedure. In cases where conflict of interest arises, the Agency's Director replaces the staff member in question.

## Management mode & Financial Circuits

The Agency implements its budget on a centralised basis and the budget implementation tasks are performed directly by the Agency. The Financial Workflow (Model 2: partially decentralised) complies with the "four eyes principle". The operational (achievement of results) and financial part (legality and regularity of the transaction) of the workflow are undertaken by different financial actors. The operational initiation lies in the department concerned. The operational verification is done by a staff member in the same department, who is not hierarchically below the Operational Initiating Agent. The financial initiation is centralised in Administration – Finance. The financial verification function is also centralised in Administration – Finance and handled by competent staff members based on their professional experience, qualifications, skills and competences. After the completion of these controls the transaction is forwarded to the relevant Authorising Officer.

In 2008 the Agency had one Authorising Officer, the Director, and three Authorising Officers by Delegation, the Heads of Department. This delegation was limited to transactions with a value of less or equal to 60,000 EUR with the exception of the Head of Administration whose delegation was unlimited in order to ensure continuity of the service in the Director's absence.

## **2.2 The functioning and effectiveness of the implementation of the Internal Control Standards for Effective Management**

The Agency's internal control standards are structured around five 'building blocks': the control environment, performance and risk management, information and communication, control activities, and audit and evaluation. Based on these standards the Agency developed and implemented internal control systems. Its objective is to maintain an appropriate balance between risks to be addressed and the controls required in minimising these risks.

The functioning and effectiveness of the internal control systems are assessed on the basis of:

- the experience of the operation of the control system – on the basis of which the internal control system has effectively managed exposure to key risks;
- the staff capacity – in terms of staff skills and allocation of resources; and
- the capacity of systems and procedures – based on the sufficiency of the existing systems to mitigate the key risks.

The assessment of the internal control systems is based on management knowledge gained from daily operations, management reviews, audit reports, evaluations of expenditure programmes, and results from tests of key controls.

### **Reporting on compliance with the requirements**

#### **Requirements on which conclusive results were achieved**

According to the requirement of Internal Control Standard nr 15, the procedures used in the Agency shall be fully documented, kept up to date and available to all relevant staff. In 2008 the Agency started updating its instruction notes, manuals and guidelines with procedures that follow a common structure. This structure consists of areas such as the legal basis that governs the procedure, its purpose, the inherent risks, the actors involved, the steps to be followed, monitoring, and information related to Data Protection. The different steps with their possible options are illustrated in flowcharts.

In addition, the Agency identified its procedure for dealing with sensitive functions. This aims to strengthen the requirement linked to Internal Control Standard nr 5 and to mitigate the associated risks.

## Requirements with which the Agency did not fully comply

The Agency complies with all requirements set out in the Internal Control Standards. Based on the requirement of Internal Control Standard nr 18, the Agency keeps a record on exceptions. Based on this record all instances of overriding of controls or deviations from established policies and procedures under exceptional circumstances are documented, justified and approved before action is taken.

In 2008 eight exceptions were recorded. Three of them were related to Article 62 of the Agency's financial rules where the responsible Authorising Officer must first make a budgetary commitment before entering into a legal obligation.

Three of the exceptions refer to limitations on confirming the efficiency of the transactions. The Agency concluded framework contracts on the basis of official price lists. Access to these lists was not granted.

In two cases the Agency was compelled to accept prices higher than those agreed based on the terms and conditions of the framework contract. The rejection of the contractor's offer would have been linked to serious risks related to the reputation of the Agency, as well as the smooth implementation of its Annual Work Programme. The Agency is to re-launch the relevant call for tender.

The Agency is taking the required actions to address these matters.

## Reporting on effectiveness of the implementation of the Internal Control Standards for Effective Management

### Building block 1 – Control environment

#### Summary of the situation

In 2008 the Agency defined the procedure of managing the sensitive functions<sup>1</sup>; due to the limited allocated resources and the rotation of staff it was proved that this policy could not be fully fulfilled. In 2009, once the establishment plan will be completed, the Agency will finalise the inventory of sensitive functions and will implement this policy according to its means.

The Agency's Multi-annual Framework was adopted in February 2008. This document establishes the nine thematic areas the Agency will deal with in the following years. This document required a new strategy to define the long-term objectives and to set the priorities of these nine areas for the coming years. This strategy will be finalised in 2009.

<sup>1</sup> Sensitive functions are those that, either because of the nature of the activity involved or because of the context in which the activity is carried out, may harm the interests of the Agency.

Level of control	Assessment criteria		
	Experience of the operation of the control system	Capacity (Staff)	Capacity (systems & procedures)
Major improvement needed	N/A	N/A	N/A
Improvement needed	N/A	N/A	Sensitive functions
Minor/no improvement needed	N/A	N/A	The Agency's mission statement needs to be updated in line with its new mandate

### Conclusion

There have been no material control failures during the financial year. Only the implementation of the sensitive functions policy has to be enhanced as well as the definition of the new mission statement.

## Building block 2 – Performance and risk management

### Summary of the situation

In 2008 the Agency determined and approved the pillars for the implementation of the Activity Based Budgeting. It was not implemented during this year waiting for the establishment of the interface among different applications.

Level of control	Assessment criteria		
	Experience of the operation of the control system	Capacity (Staff)	Capacity (systems & procedures)
Major improvement needed	N/A	N/A	N/A
Improvement needed	N/A	N/A	N/A.
Minor/no improvement needed	N/A	N/A	The Agency needs to update its Activity Based Budgeting.

### Conclusion

In 2008, the Agency restructured its Annual Work Programme and presented the 2009 one in order fully to comply with the Activity Based Budgeting approach.. This new presentation formulates SMART objectives and performance indicators that allow the management better to identify shortfalls and assess the results.



## Building block 3 – Information and communication

### Summary of the situation

In 2008, the Agency carried forward a considerable amount of payment appropriations.

Level of control	Assessment criteria		
	Experience of the operation of the control system	Capacity (Staff)	Capacity (systems & procedures)
Major improvement needed	N/A	N/A	N/A
Improvement needed	N/A	N/A	N/A
Minor/no improvement needed	N/A	N/A	Reporting on the progress of the execution of the Agency's Annual Work Programme

### Conclusion

The implementation of the 2007 and 2008 budgets started in the second half of the respective financial years due to the particular difficulties in the adoption of the Agency's Annual Work Programme. The Agency developed a web-based application for the monitoring of the execution of its Annual Work Programme. Through its reporting the Agency will be able to identify deviations from the initial plans and to take corrective measures accordingly. The application will be fully operational in 2009.

## Building block 4 – Control activities

### Summary of the situation

During 2008 the Internal Audit Service raised an issue concerning a procurement procedure where the contract notice was published after the deadline.

Level of control	Assessment criteria		
	Experience of the operation of the control system	Capacity (Staff)	Capacity (systems & procedures)
Major improvement needed	N/A	N/A	N/A
Improvement needed	N/A	N/A	N/A
Minor/no improvement needed	N/A	N/A	Procurement process needs to be reinforced

### Conclusion

The Agency is redefining its procurement procedure. Clear instructions and guidelines will be provided to the actors involved, informing them on objectives and possible inherent risks.

## Building block 5 – Audit and evaluation

Level of control	Assessment criteria		
	Experience of the operation of the control system	Capacity (Staff)	Capacity (systems & procedures)
Major improvement needed	N/A	N/A	N/A
Improvement needed	N/A	N/A	N/A
Minor/no improvement needed	N/A	N/A	N/A

### Overall conclusion

The Agency’s internal control systems are completely reliable and do not show any deficiencies that could lead to reservations. They provide reasonable assurance as regards the effectiveness and efficiency of the Agency’s operation, as well as the legality and regularity of the transactions. Few minor improvements (see tables above) are expected to be put in place during 2009.

## 2.3 Building blocks towards reasonable assurance of the Authorising Officer

### Results from independent audits during the reporting year

#### European Court of Auditors

By the date of the adoption of the present Annual Activity Report, the Agency has not yet received the final observations from the European Court of Auditors.

#### Internal Audit Service

The European Commission's Internal Audit Service (IAS) undertook a global audit in 2006. Following this audit 26 recommendations were made. 25 of these recommendations had already been implemented while the IAS was carrying out its follow-up visit during 2007..

The outstanding recommendation was linked to the supervision of recruitment by the Management Board until the appointment of the Director. Therefore, since the Director took his post on 1 June 2008, this recommendation is not valid anymore.

#### Ex-post evaluation of the European Monitoring Centre on Racism, Xenophobia and Anti-Semitism (2002-2007)

The European Commission commissioned Deloitte & Touch to carry out an ex-post evaluation aimed at assessing the implementation of the mandate of the European Monitoring Centre on Racism, Xenophobia and Anti-Semitism (EUMC), as laid down in its founding Regulation<sup>2</sup>, and assessing the effectiveness, efficiency, sustainability and utility of the EUMC. It should be borne in mind that this report refers to the period 2002-2007, and that in the meantime the EUMC was replaced by the Fundamental Rights Agency. Consequently, the conclusions/recommendations from the contractor were as if EUMC had been maintained.

The ex-post evaluation report is available at <http://fra.europa.eu>.

<sup>2</sup> Council Regulation (EC) No 1035/97 of 2 June 1997 establishing a European Monitoring Centre on Racism and Xenophobia

## **Follow up of action plans in reply to audit work performed in previous years**

The 2007 European Court of Auditors' observations did not call the Court's statement into question. Therefore, the discharge was favourably granted. In addition, all Internal Audit Service's recommendations have been implemented.

## Part 3

# Reservations and their impact on the declaration

### 3.1 Materiality criteria used

Materiality is the basis for defining significant deficiencies in both qualitative and quantitative terms. The materiality criteria used by the Agency and the way of assessing their significance is presented below.

Qualitative criteria are linked to failure in achieving the Agency's short-term objectives, reputational risks of the Agency, significant deficiencies in the Agency's control systems and repetitive errors. These involve use of resources, sound financial management, and legality and regularity of the transactions. Their significance is judged on the basis of their nature, context, scope, duration, compensatory measures, remedial actions, etc.

In quantitative terms a deficiency is considered material in cases the financial impact or risk of loss is greater than 2% of the Agency's Area of Activity's budget. In addition, the weakness must imply a significant reputational risk.

### 3.2 Making the reservation(s)

No reservations

### 3.3 Overall conclusions on the combined impact of the reservations on the declaration as a whole

Not applicable

## Part 4

# Declaration of Assurance

I, the undersigned, Director of the European Union Agency for Fundamental Rights,

In my capacity as authorising officer,

- Declare that the information contained in this report gives a true and fair view<sup>3</sup>
- 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 control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex post controls, the observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

- Confirm that I am not aware of anything not reported here which could harm the interests of the Agency and the institutions in general.

Done in Vienna on 15 June 2009.



**Morten Kjaerum**  
Director

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<sup>3</sup> True and fair in this context means a reliable, complete and correct view of the state of affairs in the service.

# Part 5

## Annexes

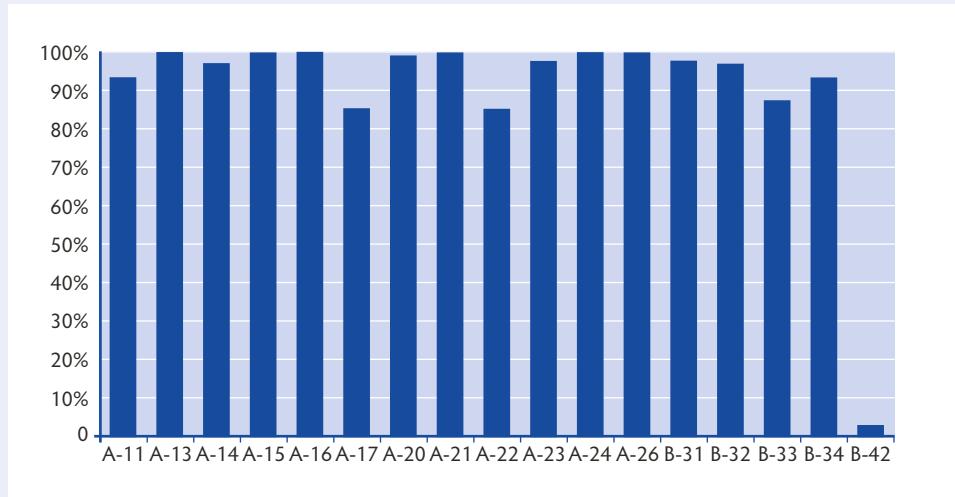
### 5.1 Draft annual accounts and financial reports

Table 1 – Outturn on commitment appropriations in 2008<sup>4</sup>

Title Chapter	Description	Commitment appropriations authorised (in €)	Commitments made (in €)	%
<b>1</b>	<b>Staff</b>			
A-11	Staff in active employment	4 240 771	3 968 441	94%
A-13	Missions and duty travel	217 125	217 125	100%
A-14	Socio-medical infrastructure	13 000	12 676	98%
A-15	Mobility, exchanges of civil servants and experts	108 778	108 778	100%
A-16	Social welfare	118 229	118 229	100%
A-17	Entertainment and presentation	3 000	2 560	85%
	<b>Title I – Total</b>	<b>4 700 903</b>	<b>4 427 809</b>	<b>94%</b>
<b>2</b>	<b>Buildings, equipment and miscellaneous operating expenditure</b>			
A-20	Rental of buildings and associated costs	859 502	853 085	99%
A-21	Data processing	887 165	887 165	100%
A-22	Movable property and associated costs	78 000	66 656	85%
A-23	Current administrative expenditure	214 288	209 767	98%
A-24	Postage and telecommunications	95 361	95 361	100%
A-26	Studies, surveys, consultations	386 270	386 270	100%
	<b>Title II – Total</b>	<b>2 520 586</b>	<b>2 498 304</b>	<b>99%</b>
<b>3</b>	<b>Operating expenditure</b>			
B-31	Networks	2 764 806	2 702 003	98%
B-32	Research and studies	1 712 860	1 668 321	97%
B-33	Information and communication	2 210 000	1 933 796	88%
B-34	Relationships with the European Communities	1 298 019	1 218 876	94%
B-39	Reserve for Title III	0	—	—
	<b>Title III – Total</b>	<b>7 985 685</b>	<b>7 522 996</b>	<b>94%</b>
<b>4</b>	<b>Other expenditure</b>			
B-42	RAXEN_CT	138 379	4 654	3%
	<b>Title IV – Total</b>	<b>138 379</b>	<b>4 654</b>	<b>3%</b>
	<b>Grand total</b>	<b>15 345 553</b>	<b>14 453 763</b>	<b>94%</b>

<sup>4</sup> Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

### % Outturn on commitment appropriations



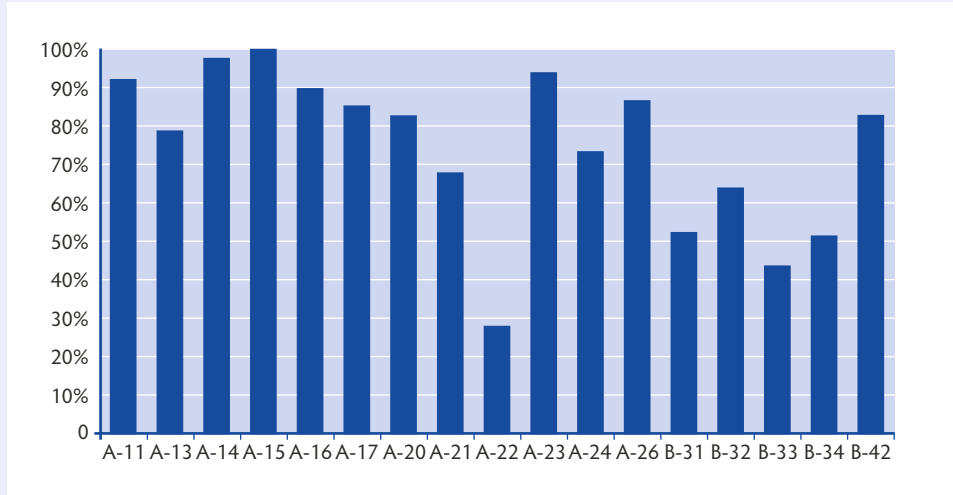


**Table 2 – Outturn on payment appropriations in 2008<sup>5</sup>**

<b>Title Chapter</b>	<b>Chapter Description</b>	<b>Payment appropriations authorised (in €)</b>	<b>Payments made (in €)</b>	<b>%</b>
<b>1</b>	<b>Staff</b>			
A-11	Staff in active employment	4 240 771	3 953 428	92%
A-13	Missions and duty travel	265 334	210 729	79%
A-14	Socio-medical infrastructure	13 000	12 676	98%
A-15	Mobility, exchanges of civil servants and experts	108 778	108 778	100%
A-16	Social welfare	139 563	125 712	90%
A-17	Entertainment and presentation	3 000	2 560	85%
	<b>Title I – Total</b>	<b>4 810 562</b>	<b>4 413 883</b>	<b>92%</b>
<b>2</b>	<b>Buildings, equipment and miscellaneous operating expenditure</b>			
A-20	Rental of buildings and associated costs	1 501 128	1 250 057	83%
A-21	Data processing	1 658 791	1 134 845	68%
A-22	Movable property and associated costs	78 000	22 062	28%
A-23	Current administrative expenditure	229 788	216 756	94%
A-24	Postage and telecommunications	97 761	71 742	73%
A-26	Studies, surveys, consultations	541 727	472 456	87%
	<b>Title II – Total</b>	<b>4 107 195</b>	<b>3 167 918</b>	<b>77%</b>
<b>3</b>	<b>Operating expenditure</b>			
B-31	Networks	4 242 606	2 244 240	53%
B-32	Research and studies	4 759 157	3 046 121	64%
B-33	Information and communication	2 805 199	1 232 021	44%
B-34	Relationships with the European Communities	1 799 278	929 604	52%
B-39	Reserve for Title III	0	0	
	<b>Title III – Total</b>	<b>13 606 240</b>	<b>7 451 986</b>	<b>55%</b>
<b>4</b>	<b>Other expenditure</b>			
B-42	RAXEN_CT	138 379	96 460	70%
	<b>Title IV – Total</b>	<b>138 379</b>	<b>96 460</b>	<b>70%</b>
	<b>Grand total</b>	<b>22 662 376</b>	<b>15 130 247</b>	<b>67%</b>

<sup>5</sup> Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

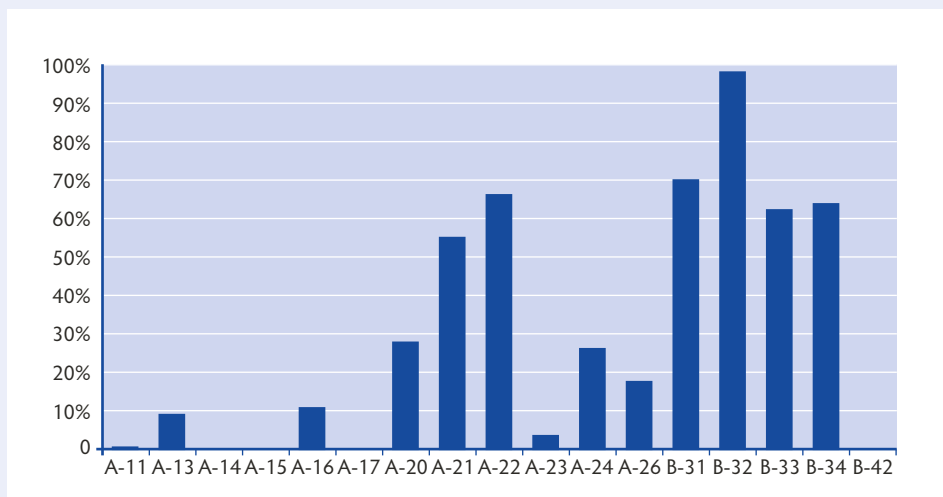
### % Outturn on payment appropriations



**Table 3 – Situation of the commitments to be settled at 31/12/2008**

<b>Title Chapter</b>	<b>Chapter Description</b>	<b>Commitments 2008 (in €)</b>	<b>Payments 2008 (in €)</b>	<b>RAL 2008</b>	<b>% to be settled</b>
<b>1</b>	<b>Staff</b>				
A-11	Staff in active employment	3 968 441	3 924 476	43 965	1%
A-13	Missions and duty travel	217 125	196 401	20 724	10%
A-14	Socio-medical infrastructure	12 676	12 676	0	0%
A-15	Mobility, exchanges of civil servants and experts	108 778	108 778	0	0%
A-16	Social welfare	118 229	105 379	12 850	11%
A-17	Entertainment and presentation	2 560	2 560	0	0%
	<b>Title I – Total</b>	<b>4 427 809</b>	<b>4 350 270</b>	<b>77 539</b>	<b>2%</b>
<b>2</b>	<b>Buildings, equipment and miscellaneous operating expenditure</b>				
A-20	Rental of buildings and associated costs	853 085	608 431	244 654	29%
A-21	Data processing	887 165	392 126	495 039	56%
A-22	Movable property and associated costs	66 656	22 062	44 594	67%
A-23	Current administrative expenditure	209 767	201 256	8 511	4%
A-24	Postage and telecommunications	95 361	69 884	25 477	27%
A-26	Studies, surveys, consultations	386 270	316 999	69 271	18%
	<b>Title II – Total</b>	<b>2 498 304</b>	<b>1 610 758</b>	<b>887 546</b>	<b>36%</b>
<b>3</b>	<b>Operating expenditure</b>				
B-31	Networks	2 702 003	781 634	1 920 369	71%
B-32	Research and studies	1 668 321	14 824	1 653 497	99%
B-33	Information and communication	1 933 796	716 995	1 216 801	63%
B-34	Relationships with the European Communities	1 218 876	430 050	788 826	65%
B-39	Reserve for Title III	0	—	—	0%
	<b>Title III – Total</b>	<b>7 522 996</b>	<b>1 943 503</b>	<b>5 579 493</b>	<b>74%</b>
<b>4</b>	<b>Other expenditure</b>				
B-42	RAXEN_CT	4 654	4 654	0	0%
	<b>Title IV – Total</b>	<b>4 654</b>	<b>4 654</b>	<b>0</b>	<b>0%</b>
	<b>Grand total</b>	<b>14 453 763</b>	<b>7 909 185</b>	<b>6 544 578</b>	<b>45%</b>

### Breakdown of Commitments remaining to be settled



**Table 4 – Payment time limits and suspension of time limits**

Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
15	0	0	0 %	0	0	0 %	0
30	1 159	1 014	87.49 %	13.73	145	12.51 %	44.21
45	591	487	82.40 %	19.95	104	17.60 %	69.99
60	0	0	0 %	0	0	0 %	0
90	0	0	0 %	0	0	0 %	0
105	0	0	0 %	0	0	0 %	0
114	0	0	0 %	0	0	0 %	0
<b>Total Number of Payments</b>							
	<b>1 750</b>	<b>1 501</b>	<b>85.77 %</b>		<b>249</b>	<b>14.23 %</b>	
<b>Average Payment Time</b>							
	<b>21.33</b>			<b>15.75</b>			<b>54.9</b>

**Late Interest paid in 2008**

GL Account	Description	Amount (Eur)
60810000	Bank interest, late payment of PO FRA.957 pre-financing children’s rights project	293.54

**Table 5 – Situation on revenue and income in 2008**

Current year recovery orders

<b>Title</b>	<b>Description</b>	<b>Year of Origin</b>	<b>Revenue and Income recognized</b>	<b>Revenue and Income cashed</b>	<b>Outstanding Balance</b>
2000	European Community Subsidy	2008	15,000,000.00	15,000,000.00	0
9000	Miscellaneous income	2008	2,966.67	2,966.67 <sup>6</sup>	0
	<b>TOTAL</b>		15,002,966.67	15,002,966.67	0

Carried over recovery orders

<b>Title</b>	<b>Description</b>	<b>Year of Origin</b>	<b>Revenue and Income recognized</b>	<b>Revenue and Income cashed</b>	<b>Outstanding Balance</b>
2000	European Community Subsidy	2007	0	0	0
9000	Miscellaneous income	2007	0	0	0
	<b>TOTAL</b>		0	0	0

**Table 6 – Aging balance of recovery orders**

None

**Table 7 – Waivers of recovery orders**

None

6 Due to technical problems the amount was returned to the European Commission as part of the outturn of 2008.

### Table 8 – Negotiated procedures and summary of contracts

	Works		Supplies		Services		TOTAL		
	Number of contracts signed	Amount of the contracts	Number of contracts signed	Amount of the contracts	Number of contracts signed	Amount of the contracts	Number of contracts signed	Amount of the contracts	
<b>Award method</b>	Lowest price	—	—	—	—	—	—	—	
	Most economical advantageous offer	—	—	—	—	354	5,440,301	354	5,440,301
	<b>TOTAL</b>					<b>354</b>	<b>5,440,301</b>	<b>354</b>	<b>5,440,301</b>
<b>Negotiated procedures</b>	Equal of less than 60 000	—	—	5	65,590	7	108,048	12	173,638
	Between 60 000 and 133 000	—	—	—	—	9	66,198	9	66,198
	Fast track procedures	—	—	—	—	—	—	—	—
	Following failure of an open call for tender	—	—	—	—	16	931,796	16	931,796
	Increase of existing contract	—	—	—	—	—	—	—	—
	Other legal and technical reasons	— <sup>7</sup>	— <sup>7</sup>	—	—	1	7,058	1	7,058
	<b>TOTAL</b>			<b>5</b>	<b>65,590</b>	<b>33</b>	<b>1,113,100</b>	<b>38</b>	<b>1,178,690</b>
<b>Framework Contracts<sup>8</sup></b>	Inter-Institutional	—	—	5	123,619	23	930,220	28	1,053,839
	Other	—	—	—	—	—	—	—	—

### Table 9 – Building contracts and secret contracts

The Agency contributed (together with the owner) to the refurbishment of the building. Following recommendation from the Court, this amount was considered as an Asset (instead of as Expenditure). The total amount paid in 2008 was €857,325.05.

<sup>7</sup> Lease contract - 1.173.925 Euro (Art. 126.1(h) IR)

<sup>8</sup> Only framework contracts awarded through a procedure with other EU institutions or bodies

Table 10 – Economic outturn account

	2008	2007
	€	€
GNI based resources	-	-
VAT resources	-	-
Traditional Own Resources	-	-
Funds transferred from the Commission to other Institutions	-	-
Contributions of EFTA countries belonging to the EEA	-	-
Fines	-	-
Recovery of expenses	-	-
Revenues from administrative operations	2,966	-
Other operating revenue	14,192,491	14,281,336
<b>TOTAL OPERATING REVENUE</b>	<b>14,195,457</b>	<b>14,281,336</b>
Administrative expenses	-6,682,088	-5,238,187
Staff expenses	-3,831,293	-3,532,169
Fixed asset related expenses	-254,634	-167,949
Pensions	-	-
Other administrative expenses	-2,596,161	-1,538,069
Operational expenses	-7,572,585	-3,450,141
Centralized Direct Management	-	-
Centralized Indirect Management	-	-
Decentralized Management	-	-
Shared Management	-	-
Joint Management	-	-
Other operational expenses	-7,572,585	-3,450,141
<b>TOTAL ADMINISTRATIVE AND OPERATIONAL EXPENSES</b>	<b>-14,254,673</b>	<b>-8,688,328</b>
<b>SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES</b>	<b>-59,216</b>	<b>5,593,008</b>
Financial revenues	-	-
Financial expenses	-	-
Share of net surpluses or deficits of associates and joint ventures accounted for using the equity method	-	-
<b>SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES</b>	<b>-59,216</b>	<b>5,593,008</b>
<b>SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES</b>		
Minority interest	-	-
Extraordinary gains (+)	-	-
Extraordinary losses (-)	-	-
<b>SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS</b>	<b>-</b>	<b>-</b>
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>-59,216</b>	<b>5,593,008</b>

**Table 11 – Balance sheet**

	31.12.2008	31.12.2007
	€	€
<b>A. NON CURRENT ASSETS</b>	<b>1,366,591</b>	<b>442,432</b>
Intangible fixed assets	84,048	109,324
Tangible fixed assets	1,282,543	333,108
Investments	-	-
Loans	-	-
Long-term pre-financing	-	-
Long-term receivables	-	-
<b>B. CURRENT ASSETS</b>	<b>8,252,685</b>	<b>8,486,872</b>
Stock	-	-
Short-term pre-financing	17,776	-
Short-term receivables	435,104	291,067
Short-term Investments	-	-
Cash and cash equivalents	7,799,805	8,195,805
<b>TOTAL ASSETS</b>	<b>9,619,276</b>	<b>8,929,304</b>
<b>C. NON CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>
Employee benefits	-	-
Provisions for risks and liabilities	-	-
Financial liabilities	-	-
Other long-term liabilities	-	-
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>D. CURRENT LIABILITIES</b>	<b>2,385,613</b>	<b>1,636,425</b>
Employee benefits	-	-
Provisions for risks and liabilities	-	-
Financial liabilities	-	-
Accounts payable	2,385,613	1,636,425
<b>TOTAL LIABILITIES</b>	<b>2,385,613</b>	<b>1,636,425</b>
<b>E. NET ASSETS / LIABILITIES</b>	<b>7,233,663</b>	<b>7,292,879</b>
Reserves	-	-
Accumulated result	7,233,663	7,292,879
B. Minority interest	-	-
<b>TOTAL NET ASSETS / LIABILITIES</b>	<b>7,233,663</b>	<b>7,292,879</b>

**Table 12 – Off-balance sheet**

There are no off-balance sheet items







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