

European Agency for the operational
management of large-scale IT
systems in the area of freedom,
security and justice

27.02.2013

2013-015

COVER NOTE

From Chair of the Management Board
To: Management Board
Prev. Doc.
Subject Activity Report 2012

eu-LISA
Activity Report 2012

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1. EXECUTIVE SUMMARY

The European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA) was established by virtue of Regulation (EU) No 1077/2011 of the European Parliament and of the Council of 25 October 2011 (OJ L 286, 01.11.2011, p.1), which entered into force on 21 November 2011. According to the Regulation, the Agency was mandated to take up its responsibilities with regard to its core tasks from 1 December 2012.

Activities during most of 2012 concentrated on setting up the Agency's vital structures (preparing the sites and installing the necessary equipment), putting in place its governance structure (establishing its Management Board and Advisory Groups), recruiting the Executive Director and the core staff and preparing for the take-over of the operational management of the IT systems (in particular, technical and logistical preparations and shadowing, and coaching of staff). Finally, from December 2012 onwards, eu-LISA became responsible for the management of the two first systems handed over to it, namely VIS and EURODAC. In parallel, eu-LISA prepared for taking over the operations of SIS II (due to take place once this system goes live in 2013).

This report contains an overview of the activities that were carried out during 2012 for setting-up eu-LISA, in order to prepare for the smooth arrival of the Executive Director and the Agency entry into operations on 1 December 2012.

2. INTRODUCTION

eu-LISA contributes to the maintenance of secure external borders, effective police cooperation and to the implementation of European visa and asylum policy, by ensuring the operational management and continuity of operations of a number of large-scale information systems in the area of freedom, security and justice.

The seat of eu-LISA is Tallinn, Estonia. The tasks related to the development and operational management of the current and future systems are carried out in Strasbourg, France. A back-up site (BCU) capable of ensuring the operation of a large-scale IT system in the event of failure of such a system is installed in Sankt Johann im Pongau, Austria.

In accordance with Article 36 of the founding Regulation, *"the Commission shall be responsible for the establishment and initial operation of the Agency until the latter has the operational capacity to implement its own budget."* Directorate General Home Affairs (DG HOME), as the parent DG, has been in charge of the establishment of eu-LISA. In order to facilitate the establishment of eu-LISA, an *interim* Executive Director was appointed by the European Commission on 16 April 2012. The *interim* Executive Director exercised this function until the Executive Director took up duty in November.

As prescribed by the founding Regulation, an Annual Activity Report for the previous year has to be submitted by the Executive Director to the Management Board and adopted by the Management Board by 31 March each year. It then has to be transmitted by 15 June of the same year to the European Parliament, the Council, the Commission and the Court of Auditors.

The Management Board will discuss the 2012 Activity Report at its first meeting of 2013 with a view to adopting it and transmitting it to the European Parliament, the Council, the Commission and the Court of Auditors by 15 June 2013.

3. BUDGET 2012

The overall 2012 budget was 21,275,000 € and the implementation rate in 2012 reached almost 90%.

3.1. Administrative Expenditure (Titles 1 and 2)

The implementation of eu-LISA administrative budget (budget line 18 02 11 01) has been high although it did not attain the 2012 target for objective reasons which could not have been foreseen. A total of 15,335,000 € was available on Title 1 (5,228,000 €) and Title 2 (10,107,000 €) in 2012. This figure included the non-automatic carry-over of credits which could not be used in 2011. In total, the amount of 13,165,068 € in commitment credits was implemented by the end of 2012, which makes the implementation rate almost **86%**.

This high implementation rate was possible due to the fact that the recruitment of eu-LISA personnel was finalised on schedule (the recruitment rate of 99% was attained) although, for practical reasons, only 60% of the staff recruited in 2012 had taken up duty by the end of the year. Similarly, other staff-related expenditures such as those on training and missions of newly recruited personnel showed a progressively growing tendency.

The major expenditures under Title 1 included provisions for salaries (4,550,000 €), training (650,414 €) and recruitment-related costs (818,760 €). Under Title 2, a global commitment of 4,900,000 € was made to cover the costs related to the setup of the internal IT infrastructure of eu-LISA, security services and expenditure under multiannual contracts with suppliers of water, energies, maintenance and other services directly related to daily operations on the technical site.

The under spending was due mainly to the delay in the take-over of the Agency sites in Tallinn and Strasbourg. In fact, it was initially envisaged that eu-LISA would take possession of the temporary premises of its Headquarters in Tallinn in June 2012 and of the technical site in Strasbourg on 1 November 2012. However, the negotiations on the specific conditions under which eu-LISA would carry out operations in the host countries were not concluded by the end of 2012. As a result, the hand-over of the premises was delayed, which consequently impacted on the expenditure related to infrastructure and running costs.

eu-LISA took possession of the temporary premises in Tallinn on 17 October 2012. Under the current schedule, the Strasbourg site will be handed over to eu-LISA in April

2013. It will only then be able to fully implement its policy with regard to infrastructure and use the credits dedicated to this purpose.

3.2. Operational Expenditure (Title 3)

Commitment credits available under Title 3 of eu-LISA budget (budget line 18 02 11 02) for operational expenditure (5,940,000 €) were fully used by the end of 2012 (implementation rate of **100%**). The major expenditure here was the contract with an external contractor responsible for the evolutionary maintenance for VIS (4,109,591 €).

4. RECRUITMENT

4.1. Executive Director

The vacancy notice for the Executive Director post (Grade AD 14) was published in the Official Journal on 24 November 2011 (OJ C 344 A), only a few days after the entry into force of the Agency Regulation. The closing date for applications was 22 December 2011. 68 EU candidates applied to the position. The recruitment process foresaw a series of selection phases, which culminated in the appointment of the Executive Director by the Management Board of eu-LISA during its second meeting (June 2012), when Mr. Krum Garkov (BG) was selected.

Following a statement before the LIBE Committee on 10 July 2012 and the adoption of an opinion by the European Parliament (6 September 2012), Mr. Garkov was appointed by the Management Board via written procedure at the end of September. He took up duty in Tallinn on 1 November 2012.

In order to prepare the initial operations of eu-LISA and in accordance with article 36.2 of the establishing Regulation, an *interim* Executive Director was appointed by the European Commission on 16 April 2012. The *interim* Executive Director exercised this function until the Executive Director took up duty.

4.2. Agency Staff

Recruitment procedures for eu-LISA staff were launched in late 2011 and carried out throughout 2012. By the end of the year, 39 staff members had taken up duty (7 in Tallinn and 32 in Strasbourg); while **35** more offers of employment with starting date in early 2013 had been accepted.

Recruitment procedures followed four main paths:

4.2.1. Open call for expression of interest

An *open call for expression of interest* was published on 23 November 2011 in collaboration with the European Personnel Selection Office (EPSO) covering the following four profiles:

- Management (at grades AD 10 and AD 12);
- Security (at grades AD 5 and AD 7);
- IT Specialists (at grades AD 5, AD 7 and AD 9);
- IT Support and Assistance (at grades AST 3 and AST 5).

Approximately 2000 candidates applied to this selection procedure. Six selection panels were established in order to handle this recruitment procedure, composed by members of DG HOME and of the staff representations. The pre-selection phase (via the talent-screener tool) was completed by end March 2012. The selection panels subsequently corrected the written tests and carried out oral interviews.

This selection process resulted in the establishment of nine reserve lists, one for each grade within the four profiles. The reserve lists for all nine grades were approved by the Appointing Authority (the *interim* Executive Director) during July and early August 2012. By mid-August, all applicants had been informed via their EPSO account whether they had been placed on the reserve list or not. Inclusion on the reserve lists does not guarantee recruitment. Offers of employment were sent out immediately afterwards.

4.2.2. Recruitment via existing reserve lists

In addition, and following EPSO's advice, it was decided that staff covering horizontal positions would be recruited as much as possible via existing reserve lists. To this end, on 3 November 2011 EPSO sent an e-mail to all laureates which were on valid reserve lists and had not yet been recruited as officials by the EU institutions, requesting them to express their interest in approximately 20 positions at eu-LISA Headquarter in Tallinn in the following fields:

- General Administration and Coordination (at grades AD 5 and AD 7);
- Law (at grade AD 7);
- Finance, Audit and Procurement (at grades AD 5, AD 7 and AD 9);
- Administrative and Logistic Support (at grades AST 3 and AST 4).

Shortlisted candidates who had applied to this recruitment procedure were interviewed as of spring 2012 and recruitment of staff was launched before the summer 2012. All positions were Tallinn-based. The first staff members took up duty in July in DG HOME premises and relocated to Tallinn on 1 November 2012.

4.2.3. Recruitment of experienced technical personnel

In order to ensure a smooth entry into operation of eu-LISA, recruitment of a limited number of technical personnel with experience in the management of central units of Schengen and Dublin related IT systems (SIS 1, VIS and EURODAC) was imperative.

To this end, an *open call for expression of interest* was published on 30 April 2012, with deadline for applications 30 May 2012, covering the following four profiles:

- Head of Department (at grade AD 12);
- IT Helpdesk (at grades AST 3, AST 4 and AST 5);
- IT Security Assistant (at grade AST 5);
- IT Specialist (at grades AD 5, AD 7 and AD 9).

Three selection panels were constituted in order to handle this recruitment procedure. The panels were composed by members of DG HOME and of the staff representations.

Following the reception of 86 applications, written tests took place in Strasbourg on 21 June 2012. Interviews were held in Strasbourg and Brussels during the month of September 2012. Reserve lists were available in September/ October 2012. All positions were Strasbourg-based. Offers of employment were sent in December 2012. Staff recruited from these reserve lists will take up duty in March-April 2013.

4.3. Security Officer, Data Protection Officer and Accounting Officer

The Regulation establishing the Agency foresees that the Data Protection Officer, the Security Officer and the Accounting Officer are directly appointed by the Management Board (and not by the Executive Director, as the rest of the staff). The vacancy notices for these three positions were therefore submitted to the Management Board for approval at its first meeting in March 2012.

Following approval, the three vacancy notices were published on 10 May 2012, with deadline for application on 10 June 2012, at the following grades:

- Security Officer (at grade AD 10);
- Data Protection Officer (at grade AD 10);
- Accounting Officer (at grade AD 9).

Due to the limited number of received applications, the deadline was extended to 30 June 2012. At the same time, members of the Management Board and of the Advisory Groups were requested to disseminate the vacancy notices within their national administrations.

Following the extended deadline for application, 48 applications were received. Three selection panels were constituted in order to handle this recruitment process. They were composed by members of DG HOME and of the staff representations. Due to the specificity of the profiles, experts from DG Budget (Accounting Officer), Security Directorate (Security Officer) and DG Justice (Data Protection Officer) were also part of the panels.

The selection panels evaluated all received applications during the month of September (assessing eligibility and selection criteria), and prepared a shortlist of candidates to be invited to the written test and interview. Written tests and interviews were held in Brussels during the months of September/October. The reserve lists for the positions of Accounting Officer and Security Officer were available by early November 2012. The reserve list for the position of Data Protection Officer was available in December 2012.

During the autumn, the Chair of the Management Board invited the Board to nominate some of its members in order to constitute selection groups that would interview the candidates on the reserve lists and recommend the most suitable candidates to the Board for appointment.

A subcommittee of the Board, composed by the Belgian and Bulgarian member of the Board, as well as the Chair, was therefore established. Interviews with candidates on the reserve list for the position of Security Officer and Accounting Officer were held in Tallinn on 28 November 2012. On 29 November 2012, date of the third Management Board meeting of eu-LISA, the Security Officer and Accounting Officer were appointed. Interviews for the position of Data Protection Officer were held in early 2013.

4.4. Organisational structure

Article 12(1)(c) of the establishing Regulation provides that the Management Board establishes the Agency's organisational structure after consulting the Commission. A draft Organisational Structure was submitted to the Management Board for approval at its first meeting (March 2012).

The draft organisational structure was based on Article 10 of the establishing Regulation, which provides that:

- the seat of the Agency shall be Tallinn, Estonia;
- the tasks relating to development and operational management of the large-scale IT systems, for which the Agency is responsible, shall be carried out in Strasbourg, France, and
- a backup site capable of ensuring the operation of a large-scale IT system in the event of a failure of such a system shall be installed in Sankt Johann im Pongau, Austria.

The Management Board adopted the draft organisational structure provisionally and submitted it to the Commission services responsible for human resources for consultation, in line with article 12.1(c) of the establishing Regulation. It was furthermore agreed that the organisational structure could be reviewed once the Executive Director had taken up office.

The draft organisational structure of the Agency was submitted to Directorate-General Human Resources (DG HR) on 30 April 2012 for comments. In its reply, DG HR recommended the Agency to carefully watch the level of staff dedicated to horizontal tasks and try to concentrate as many staff members as possible on core tasks. Furthermore, it recommended some slight adjustments in the naming of the units and departments.

Following his appointment, the Executive Director prepared a revised organisational structure, in line with the comments received by DG HR. The organisational structure was adopted by the Management Board at its November 2012 meeting.

5. OPERATIONAL MANAGEMENT OF THE SYSTEMS

As of 1 December 2012, eu-LISA became legally responsible for the operation of the VIS and EURODAC systems, while the SIS II will be handed over to eu-LISA staff following its go live. Security measures for the VIS and EURODAC systems, proposed by the Advisory Groups, were adopted by the Management Board in November 2012. However, the daily operations of the two systems will continue to be carried out by French staff and Commission staff respectively for the first quarter of 2013, in order to ensure a gradual hand-over. A VIS Transition plan was defined in order to ensure a smooth transfer of the operations from France to eu-LISA. As regards to EURODAC, the Commission and eu-LISA established a plan in order to set-up a remote management link in Strasbourg, which will allow the operation of the system from the Agency technical site prior to its physical relocation.

A specific training plan was prepared in order to facilitate the integration of the new technical staff in the Agency. The training was delivered to the newcomers when they joined eu-LISA. Each block of training lasted about 2 months. The training plan was divided into four tracks for the three main categories of staff (Manager, IT Specialist, Operators):

- Agency organisation (welcome pack)
- Business (including an overview of the legal framework)
- Design (covering the technical details for specialists)
- Technical Operations (allowing hands-on and train-on-the-job sessions).

This training programme was organised in Strasbourg and required the involvement of the current operator of the VIS/BMS (C.SIS). The training plan also intended to produce a knowledge management database, e-learning modules and a training methodology that could be reused by eu-LISA's internal trainers for future induction training.

Theoretical training was organised in the European Parliament premises in Strasbourg in October/November 2012, which was followed by shadowing and coaching sessions, during which the newly recruited staff of eu-LISA gradually participated in operational activities, in order to ensure full transfer of the operations by the first quarter of 2013.

6. CONSTITUTION OF MANAGEMENT BOARD AND ADVISORY GROUPS

6.1. Management Board meetings

The Commission was responsible for the preparation of the inaugural Management Board meeting in its caretaker function and continued to be responsible for the organisation of all subsequent meetings until the Executive Director and secretarial support were in place. In practice, since the last meeting of 2012 took place only a few weeks after the Executive Director took up duty, the Commission was responsible for the organisation of all three meetings held in 2012.

The organisational details regarding the inaugural Management Board meeting, including possible conference venues, were discussed with the Estonian authorities in the autumn of 2011. Following adoption of the establishing Regulation, the date for the inaugural Management Board meeting was set at 22-23 March 2012. The Estonian authorities

informed that they would contribute to the event by providing a fully-equipped conference venue as well as offering an official dinner.

The Commission Decision appointing the Commission representatives to the Management Board was adopted by the Commission on 12 January 2012. In addition, Member States were invited to nominate their representatives and their alternates to the Management Board by 22 January 2012, as required by article 13.2 of the Agency Regulation.

On 21 December 2011, DG HOME signed a contract with an external contractor, which would be in charge of all logistic requirements related to the organisation of the inaugural meeting, such as accommodation and travel arrangements, meals, interpretation, conference material and support. The contract also covered travel and accommodation costs for all the Members of the Management Board and their alternates. Furthermore, the contract foresaw the option of organising two additional Management Board meetings, which was in fact triggered in the course of 2012.

22-23 March 2012 meeting

During the inaugural meeting, Mr Matthias Taube, Member of the Management Board representing Germany, was elected as Chairperson of the Board and Mr Carlos Gonçalves, Member of the Management Board representing Portugal, was elected as deputy Chairperson. Furthermore, the Board adopted the provisional Rules of Procedure (Members of the Board were requested to send in their comments to the document by 30 April 2012, so that a final version could be adopted at the subsequent meeting) and the Activity Report for 2011.

As regards staff related matters, the vacancy notices for the Security Officer, Data Protection Officer and Accounting Officer were approved by the Board during the meeting, as well as the Multiannual Staff Policy Plan 2013-2015 and the provisional Organisation Structure.

On the budgetary side, the Board adopted the Statement of Estimates of the Revenue and Expenditure for 2013, as well as eu-LISA Financial Regulation. In accordance with the establishing Regulation, the document was subsequently transmitted to the relevant services of the Commission for consultation.

28-29 June 2012 meeting

During the second Management Board meeting, the Board interviewed the shortlisted candidates for the position of Executive Director and selected Mr. Krum Garkov. Furthermore, the Board adopted the *Decision laying down practical arrangements regarding public access to the documents of the Agency*, the *Decision concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the Union's interests* and the *Decision laying down rules on the secondment of National Experts (SNE) to the Agency*.

Following received comments, the Management Board adopted the revised version of the Rules of Procedure and the Financial Regulation. Also the Draft 2012 and 2013 Work Programmes were adopted, which were subsequently transmitted to the European Commission to receive its opinion.

29-30 November 2012 meeting

The last Management Board meeting of 2012 was organised back to back with the entry into operations of the eu-LISA, foreseen by the establishing Regulation for Saturday 1st December 2012. In order to mark the event, a joint press conference was organised in the margins of the Board meeting together with the Executive Director of the Agency, the Estonian Minister of the Interior, one of the two Commission representatives to the Management Board and the Chair of the Management Board.

During the Board meeting, the Agency Security Officer and Accounting Officer were appointed. Furthermore, the Board adopted the draft *Decision establishing the procedure and the criteria for the evaluation of the Executive Director*, and appointed two of its members as Reporting Officers for the appraisal of the Executive Director.

A revised version of the Agency's organisational structure, which had incorporated the Commission's recommendations, was adopted as well as the VIS and EURODAC security measures, including a security plan and a business continuity and disaster recovery plan and overall Agency security plan. As regards EURODAC, the Management Board chose the scenario for the EURODAC relocation, as proposed by the EURODAC Advisory Group.

Finally, the Management Board decided to use eu-LISA as acronym for Agency.

6.2. Advisory Groups meetings

As with the Management Board meetings, the Commission was responsible for the preparation of the Advisory Groups meetings throughout 2012. Therefore, the Commission had signed on 21 December 2011 another contract with an external contractor for the organisation of the logistic requirements of the inaugural meetings of the Advisory Groups in all three configurations (SIS II, VIS and EURODAC). The contract foresaw the option of organising the subsequent round of Advisory Group meetings.

The first meetings of the Advisory Groups took place in Tallinn on 5-6 June (VIS Advisory Group), 6-7 June (SIS II Advisory Group) and 7-8 June (EURODAC Advisory Group). No Chairperson was elected to the VIS Advisory Group due to the lack of candidates. The election was therefore postponed to the second meeting. As regards the other groups, the following Chairpersons were elected:

- Ms. Eduarda Peixeiro (Portuguese representative to the SIS II Advisory Group)
- Mr. Jan Westmar (Swedish representative to the EURODAC Advisory Group)

The second meetings of the VIS and EURODAC Advisory Groups took place on 16-17 and 17-18 October 2012. The second meeting of the SIS II Advisory Group was scheduled for early 2013.

During the meetings in 2012, the Advisory Groups provided their opinions to the Management Board on a variety of issues, such as the security documents, the Annual Work Programme and the relocation of the EURODAC system.

7. AGENCY SITES

7.1. Headquarters building in Tallinn, Estonia

In line with their commitment to provide the premises for the Agency Headquarters in Tallinn free of charge, the Estonian authorities proposed eight candidate locations to host eu-LISA Agency's Headquarters for a temporary period until the permanent premises are made available.

Four locations were shortlisted by the European Commission and subjected to a thorough on-the-spot assessment with the support of Commission services with the relevant technical and security expertise, namely the Office for Infrastructure and Logistics in Brussels (OIB) and DG Human Resources (HR) Security Directorate.

Following this assessment, the building located at 4, Ravala Street in downtown Tallinn, known as the "EU House" (due to the fact that both the Representation of the European Commission and the Bureau of the European Parliament are located there) was chosen as most suitable to temporarily host the Agency's Headquarters until the permanent premises become available.

The "EU House" has 1,500 sqm of available office space and offers the possibility to share infrastructure and services with the Representation of the European Commission and the Bureau of the European Parliament.

The Estonian authorities undertook necessary measures to ensure that the premises fulfil the Agency's needs and comply with the applicable law and technical standards. DG HOME, in liaison with OIB and DG HR Security Directorate, drafted the minimum requirements for the temporary premises which should be taken into consideration while planning and implementing the required measures.

This process continued until November 2012, when the premises were made available to the Agency.

7.2. Technical site in Strasbourg, France

eu-LISA is responsible for the operational management of the second generation Schengen Information System (SIS II), the Visa Information System (VIS) and the EURODAC system. The three IT systems are currently located on several distinct sites¹. Once taken over by the Agency, the IT systems are operated on an existing technical site in Strasbourg (C.SIS site). Whilst the C.SIS site currently belongs to the French Government, France committed to transfer its property to the Agency free of charge. Furthermore, France committed to provide the Agency, free of charge, with a 5,000 sqm plot of constructible land adjacent to C.SIS to allow for its future expansion.

However, the C.SIS site is reaching its limits in hosting capacity in particular with regard to office space and will require substantial rearrangement and/or expansion in order to be

¹ The Central systems of SIS II and VIS are located at the French Data Centre (C.SIS) in Strasbourg, France, while their back-up systems are in a secure site near Salzburg, Austria. EURODAC is located in Commission premises in Luxembourg and Brussels.

reconverted into the technical site of the Agency. The Commission launched in 2012 a study aiming to assess the current C.SIS site and to recommend specific measures for its reconversion into a state-of-the-art data centre for the operation of IT systems with minimum costs and optimal utilisation of resources. The specific object of the study was to propose the most effective scenario, and up to two alternative options, consisting of a set of concrete measures and a schedule of their implementation, to achieve the desired operational state of the technical site with minimum costs and optimal utilisation of resources.

The conclusions of the study were presented to the Management Board at its third meeting in November 2012. During that meeting, the Board requested the external contractor to develop a more detailed overview of the presented options, including their long term costs.

7.3. Relocation of the EURODAC system

As the EURODAC system is currently based in Luxembourg, one of the main priorities for 2012 was to define the necessary measures for the removal of this system from Luxembourg to Strasbourg and its back-up to Sankt Johann im Pongau.

During the first meeting of the EURODAC Advisory Group, held in Tallinn in June 2012, the Commission presented four different scenarios for the relocation of the system, i.e. a scenario that consisted in a single move of the full EURODAC infrastructure from Luxembourg to Strasbourg and Salzburg; a second scenario that considered moving first the Central Unit (CU) from Luxembourg to Strasbourg (activating the Back-Up Central Unit (BCU) to provide the service to Member States from Luxembourg during the move) and then, once the CU was operational in Strasbourg, the BCU could be moved to Salzburg. A third scenario envisaged two phases: a first phase, which foresaw the provision of a new CU, identical to the existing CU in order to ensure the same level of accuracy, to be installed in Strasbourg and a temporary high speed encrypted network link between Strasbourg and Luxembourg. At the end of this phase, the new CU (in Strasbourg) would be the active system and the existing CU (in Luxembourg) is the stand-by system. In the second phase, the existing BCU would be moved from Luxembourg to Salzburg. At the end of this phase, the new CU (in Strasbourg) is the active system and the existing BCU (in Salzburg) is the stand-by system. At the end of the move operations, the existing CU (in Luxembourg) would be dismantled and the temporary high speed network link between Strasbourg and Luxembourg would be switched off.

A fourth scenario considered installing brand new IT hardware platforms for the CU and the BCU in Strasbourg and Salzburg. Once the new IT infrastructure would be delivered, installed, configured, tested and accepted, it would be synchronised with the old one and then enabled to process and reply to Member States' requests.

During the meeting of the Advisory Group held in June, the third and fourth scenario received most support. The EURODAC Advisory Group was requested to give its final opinion on the four scenarios by 7 September 2012 and selected scenario No 4 as the preferred scenario. This proposal was adopted by the Management Board at the third meeting (November 2012). Furthermore, the Board requested the Agency together with

the EURODAC Advisory Group to prepare a detailed planning on the relocation based on this scenario, which should take into account:

- the time planning
- the impact on the s-TESTA network
- the impact on the systems of the Member States.

8. HEADQUARTERS AGREEMENT WITH ESTONIA AND SITE AGREEMENTS WITH FRANCE AND AUSTRIA

8.1. Headquarters Agreement with Estonia

Negotiations started on 20 March 2012, with significant progress achieved throughout the year on the text of the agreement. The main issues which remained open by December 2012 were the following:

- ***The legal regime proposed by the Estonian Government for the permanent premises of the Agency.*** Estonia proposed to constitute a right of superficies for the benefit of the Agency. The Commission, acting on behalf of the Agency, insisted on a legal solution in line with the overwhelming general practice in other Member States hosting EU bodies or agencies, which is a lease agreement between the Government and the Agency because the right of superficies would ascribe to the Agency the management of the building and the financial burden of its maintenance in good condition, including structural repairs, except in the case of construction defects. Under a lease agreement these elements are the responsibility of the owner. Estonia proposed in December 2012 an alternative solution, according to which it would lease the building to the Agency and transfer to it the property of the surrounding land, belonging to the premises. Following internal consultations, the Commission informed Estonia in January 2013 that this solution was unacceptable because it would not allow the Agency to dispose of the property of the land freely. The Commission suggested, as an acceptable alternative solution, a full transfer of the property of the premises to the Agency. This has been confirmed as the solution which will be retained in the agreement.
- ***The provision allowing Agency's staff to make purchases for furniture and personal effects without taxes and one motor vehicle per household per every four years.*** Negotiations on this point continued throughout 2012 and the Commission proposed that it could accept a less ambitious provision in line with what EU officials are granted in Belgium. In December Estonia confirmed that it would not grant this right to the Agency staff.

Memorandum of Understanding for the temporary premises

In parallel, the Commission prepared and negotiated with the Estonian authorities a Memorandum of Understanding on the temporary premises which was signed by Estonia on 29 October and by the Commission and eu-LISA on 31 October 2012. The MoU allowed eu-LISA to formally take over the temporary premises. It was concluded for a

term of four years and six months or until eu-LISA's permanent premises are ready to be occupied, if the later occurs before the expiry of the MoU's term.

8.2. Site Agreement with France

Site Agreement

Negotiations started on 31 January 2012. A meeting was held in early July 2012 in Paris, but little progress was achieved during the negotiations. France intended as much as possible to limit its commitment to the content of the EU's Protocol on Privileges and Immunities (PPI), whereas the Commission's position is that the scope of such a site agreement is to further specify the provisions of the PPI, by providing concrete modalities for the application of the rules on taxation, import and export of goods, etc., as well as by providing a clear demarcation of responsibilities and commitments on the part of the host country on one side and of the Agency on the other. France refused to grant staff of the Agency the possibility to make purchases for furniture and one motor vehicle per household per every four years since this right was not foreseen in the Protocol. Another point of divergence in the negotiations with France, and which bear relevance to the Member States, related to the regime applicable to the national experts that would be seconded to Strasbourg, as France intends to give no recognition to this category of staff in the site agreement as well as no facilitation with regard to taxation. Negotiations with France continued with meetings on 3 October 2012 and 22 November 2012. By the end of the year progress had been achieved on certain articles but the provisions on fiscal regime of the Agency, entry and residence, the privileges and immunities of the staff and of the seconded experts, schooling, appropriate transport connections and the liaison office were still open.

With regard to the transfer of property for the site in Strasbourg, the Commission could agree that France will only transfer the property of the C.SIS site on 1 May 2013 (corresponding to the envisaged date when the migration from SIS 1 to SIS II will be completed). However, it required that the premises would be put at the disposal of the Agency without rent as from 1 December 2012, date initially foreseen in the draft site agreement for the transfer of property.

Lease agreement with France

Negotiations were finalised on a temporary free of rent lease contract with the Municipality of Strasbourg to give the Agency a legal title for the occupation of the premises. The duration of the agreement is from 1st December to the date of transfer of property from the French Government to the Agency which will take place at the latest on 30 April 2013. The contract was signed by the Commission and the Agency on 29 November 2012 and by the *Communauté Urbaine de Strasbourg* on 17 December 2013. The contract will remain valid until the signature of the act of transfer of the property to the Agency which will take place at the latest by 30 April 2013.

8.3. Site Agreement with Austria

Site Agreement

Negotiations started on 3 February 2012. In a meeting in Vienna held on 10 October 2011, it was agreed that Austria would provide a first draft of the agreement and that the Commission would provide drafts for some provisions and its requirements in case of switchover to the backup system. Discussions also covered the current contractual situation with Austria. As agreed during the meeting, the Commission sent a letter to Austria on 2 February 2012 in which it requested Austria's support for hosting the Agency and enclosed the agreed documents. A reply from Austria was received on 17 September enclosing a draft headquarters agreement and announcing that this text will be complemented by a separate agreement, which will cover the other issues to be agreed upon and will be prepared by the competent Austrian authority. A meeting took place on 10 December 2012. Good progress could be made in the negotiations, although no agreement was reached on important provisions such as those on definitions, premises, privileges and immunities for staff, seconded experts and assistance and cooperation in case of partial or complete failure of the Central system. Some progress was also achieved on the separate agreement on the requirements for the activation of the Backup although Austria limited the support it would grant to the Agency. A meeting was held on 28 January 2013 where further progress was made.

Memorandum of Understanding on the Backup Site

The Commission prepared a Memorandum of Understanding which will replace the existing contract for the serviced premises of the backup site in Sankt Johann im Pongau in order to adapt the required services to the legal framework of the Agency's Regulation, which was submitted to Austria in early 2013.

9. FINANCIAL MANAGEMENT

The Commission has been responsible for the implementation of eu-LISA's budget since its establishment in October 2011. This arrangement will remain valid until eu-LISA's financial independence, which is currently scheduled for May 2013.

As a result, throughout 2012, the Commission launched and managed on behalf of eu-LISA a series of procurement procedures for goods and services which culminated in the signature of several Service Level Agreements (SLAs)² and contracts.

With regard to SLAs, the Commission concluded with OIB a SLA to provide temporary office spaces in Commission's premises in Brussels for newly-recruited eu-LISA's staff before the temporary premises in Tallinn became available. It also signed with the Translation Centre for the Bodies of the EU (CdT) a SLA to provide translation services to eu-LISA, as set out in Article 25(3) of the Regulation, and with DG Budget a SLA for the installation of ABAC (computerised central financial and accounting system used by the Commission) on the premises of eu-LISA. In the field of human resources, the Commission signed a SLA with DG Human Resources covering training, medical services and security services for eu-LISA's personnel, as well as a SLA with the Office for Administration and Payment of Individual Entitlements (PMO) for the provision of services such as administration and payment of salaries, missions, sickness, accident and occupational disease insurance, and the determination of pension entitlements and invalidity and unemployment allowances.

Upon request of eu-LISA , various goods and services were procured in 2012 to support the daily functioning of eu-LISA, mainly through the use of existing Commission's framework contracts. Most of them were IT related, such as the installation of a managed secured private communications infrastructure (s-TESTA) in the sites in Tallinn and Strasbourg the installation and supply of broadband internet in the site in Tallinn; the preparation of the design of the IT infrastructure required for the sites in Tallinn, Strasbourg and Sankt-Johann im Pongau; and the purchase of laptops, a printer, mobile phones and hard drives³. Furniture for the site in Tallinn and office supplies for both Tallinn and Strasbourg were also purchased. Further to the November meeting of the Management Board, the Commission signed a contract for a more detailed analysis of one of the possible options proposed for the reconversion of the Strasbourg site. Finally, the Commission signed an Agreement with the European Parliament for the rental of meeting rooms in the Parliament's premises in Strasbourg in order to carry out training activities for the newly recruited and Strasbourg based eu-LISA's staff.

On the operational side, the Framework Contract concerning the maintenance in working order of the VIS was signed on 29 August 2012 for a period of 3 years. Nine specific contracts implementing the Framework Contract were signed throughout August and September 2012. They relate to the corrective, adaptive and evolutionary maintenance of the system. As regards SIS II maintenance, the contract notice for the restricted Call for Tender was published on 4 December 2012 with a deadline for submission of candidatures by 28 January 2013. According to the current time schedule, the invitation

² A Service Level Agreement (SLA) is a formal written agreement made between two parties: the service provider (a DG or an Agency) and the service recipient (for example an Agency), with a view to providing specific services to the recipient.

³ After 1st of December, the Agency launched an internal project for the design and implementation of a complete infrastructure solution for the organisation that included the supply and installation of broadband internet in both Tallinn and Strasbourg sites, design and implementation of corporate IT infrastructure, cooperation and collaboration systems and tools required for the normal operation of the Agency.

to tender should follow in mid-March 2013 and the signature of the Framework Contract with a maximum duration of 4 years is envisaged for the summer 2013.

In addition to the procurement services described above, the Commission also provided throughout 2012 logistic and administrative support for the missions of eu-LISA's staff. All contracts and SLAs will be transferred to the Agency once it reaches financial independence.