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Annex to the

General Programme Security and Safeguarding Liberties

Extended impact assessment

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1. What are the main problems identified?

The gradual elimination of internal borders within the EU and the increasing movement of goods, capital and people between Member States which has accompanied this, coupled with the ongoing process of globalisation of financial markets in particular, means that crime is becoming more international in scale. This is particularly the case with regard to organised crime, which has long been engaged in the trafficking of drugs and people and in money laundering operations and which inevitably tends to gravitate towards areas of criminal activity and locations where the potential return is greatest and the risks attached smallest.

The ability to move freely across national borders, however, means that volume crime is also assuming a more international dimension, stimulated not only by the abolition of border controls but by differences in the way that the police and judicial systems work and, despite considerable improvement over time, by insufficient cooperation and exchange of information between law enforcement agencies, subject to differing data processing methods and data protection regimes. Those engaged in criminal activities, therefore, are able to exploit the present differences and defects, moving from one country to another to escape justice or, at least, try their chances of doing so.

The ever closer integration of the EU economies and the growing interdependence between them, therefore, reinforce the common interest in combating crime of whatever kind wherever it occurs, which is enshrined in the EU Treaty objective of establishing an area of freedom, security and justice. High levels of crime, moreover, do not only have adverse effects on EU citizens, who have to live with the fear as well as the reality of criminal activity. They also tend to impede the pace of economic development in those places where criminal activity is most extensive, so slowing economic growth generally throughout the Union.

The growing threat from terrorist activity has also an increasing trans-national dimension, aiming at attacking the civil society where it can do most harm. Moreover, terrorists often generate their financial means from other criminal activities. As proven by the 9/11 or 11/3 terrorist attacks, these incidents can be of such gravity that they are of common concern to all EU citizens, quite apart from the very real, and increasing, possibility that their effects will not be confined to the country in which it occurs. Given the potential for dangerous chemicals, gases, viruses and so on to spread rapidly across a wide area once released, and given also the integrated nature of communication systems and energy distribution networks in the EU, a serious incident in one Member State can have major consequences elsewhere. It can involve not only the large-scale loss of human life but also considerable environmental, economic and social disruption with substantial costs in terms of lost output and loss of people's livelihoods. Thus, major terrorist incidents can affect the civil society of the Union itself, not only of a specific region or country.

The vulnerability of the EU and its citizens to such an incident is increasing and not just because of a growing threat of terrorist activity. The closer interdependence between EU economies, the continuing growth of cross-border movements and the increasing reliance on computerised systems of control mean that the ramifications of such an incident are tending both to expand and to spread ever wider. Critical infrastructure is a particular area of vulnerability, whether in the public or private sector and whether it concerns production plants, such as electricity generating stations, chemical works or pharmaceutical laboratories housing deadly viruses, or transport, energy and telecommunication networks, especially those which cross national borders. Although not the result of a terrorist attack, the black-out across Italy in 2003, as supplies of electricity from France were disrupted, demonstrates the transnational nature of potential incidents, while the dependence of basic services on electricity means that loss of power not only affects lighting and heating but equally sewage treatment plants and water supply systems.

There is, therefore, an EU-wide interest in seeking to prevent such incidents from occurring and in

taking effective action to minimise the consequences and to deal with their effects. This, in turn, implies a need for the rapid and efficient exchange of critical information and for a common capability to respond quickly and effectively to incidents when they occur. It also implies a common need to identify the critical infrastructure located in the EU, damage to which could have serious and wide-ranging consequences, to assess the risk involved and to determine the measures which need to be taken to reduce this risk. The capacity to undertake these tasks and to implement the preventative measures concerned, however, varies markedly across the EU, with potential problems in the new Member States in particular in committing the financial resources required.

The Council recognised the need in this area for coordinated action at EU-level by approving in December 2004 the "EU Solidarity Programme on the consequences of terrorist threats and attacks", based on the Commission Communications on Preparedness, Consequence Management and Critical Infrastructure in the Fight against Terrorism of October 2004. This need was re-affirmed in the Hague Programme adopted in November 2004 by the European Council, which called up on the Council and the Commission to set up integrated arrangements for EU crisis management by 1 July 2006 at the latest.

In addition, the Programme set as an objective to improve 'the common capability of the Union and its Member States to fight organised cross-border crime' as well as to 'repress the threat of terrorism'. The same process of closer integration within the EU and the further elimination of internal borders which increases the trans-national nature of the threat from terrorism and major disasters also means that the scale of cross-border crime is likely to increase further in the absence of specific action at EU-level to tackle the problem. In the case of both terrorist and other criminal activity, therefore, the need for greater cooperation between Member States and for more coordination of their activities in countering the threat and dealing with the consequences is only likely to become more pressing in future years.

2. What are the main policy objectives?

General objectives

The overall objective is to contribute to the common aim of creating an area of freedom, security and justice by combating crime, especially organised crime, including trafficking in people, drugs and arms, corruption and fraud, with special emphasis on cross-border crime, and by protecting citizens and society against terrorist attacks and limiting the consequences of such attacks should they occur.. Title VI of the Treaty on European Union identifies certain priority areas of crime for attention at EU level: organised or otherwise, in particular terrorism, trafficking in persons and offences against children, illicit drug trafficking and illicit arms trafficking, corruption and fraud.' Although the new Constitution does not make specific reference to priority areas, The Hague Programme emphasises the fight against organised cross-border crime and the repression of terrorism as political priorities.

Specific objectives

To achieve these general goals, a number of specific objectives need to be pursued in parallel. In the case of *the prevention of and fight against crime*, these consist of

– encouraging and supporting *cooperation between national law enforcement* authorities and helping to coordinate both their activities and those of other EU bodies, particularly Europol and CEPOL. This includes assisting in the process of making available all information relevant to law enforcement, as well as sharing it with colleagues in other Member States. This implies using and improving existing channels of communication and the underlying legal and physical infrastructures, making them resilient yet adaptable to changing environments and needs. This can

be achieved by feeding best practice and data security technology in the process. At all times however, the right balance between the protection of personal data and privacy should be guaranteed, inter alia through awareness raising and training activities;

- promoting initiatives of various kinds in the area of *crime prevention and criminology,* to develop a better understanding of the causes, trends and remedies of different types of crime, in order to foster crime reduction and victimization. This includes: the development of a reliable and comparable statistical basis for priority areas of crime, victimization and criminal justice, to identify and assess the incidence and frequency across Member States and over time, and assessing the effectiveness of measures to fight and prevent crime; the development of private-public partnerships to increase the effectiveness of cooperation between law enforcement agencies, other public bodies, private enterprises and individuals to counter crime; support for measures to raise public awareness of ways of preventing and combating crime; the development of crime-proofing measures; support for the exchange of information between Member States, including in respect of best practice, to improve the effectiveness of methods to prevent and combat crime; support for research into the causes of crime and ways of combating it, for the dissemination of research findings and for training;
- *protecting witnesses and victims of crime*, in the form of risk and threat analysis and where necessary supervision and other security measures (especially for vulnerable groups such as children and victims of trafficking and violent crime). This may include complementary measures such as psychological and administrative assistance (where not covered by the General programme on "Fundamental Rights and Justice").

In the case of *prevention, preparedness and consequence management of terrorism*, the specific objectives are aimed at stimulating, supporting and developing Member State preparedness and the EU's capacity for crisis and consequence management through cooperation and coordinated action across a broad front and, in particular by:

- establishing an effective system for ensuring the rapid flow of information about possible threats and prospective attacks to relevant parties across the EU, particularly to law enforcement agencies and their necessary interaction with civil protection bodies, public authorities and private enterprises;
- implementing effective methods of identifying critical infrastructure which could give rise to major problems if damaged or destroyed by terrorist attacks, of assessing the risk involved and of determining the means of protecting against this in a way which achieves an acceptable balance between the scale of the risk and the cost of eliminating or reducing it;
- setting up response ensuring that (beyond general civil protection) effective action is taken quickly to tackle the consequences of a terrorist attack and is coordinated efficiently both between the relevant authorities and across the Member States involved.

Operational objectives

The operational objectives to achieve the specific aims listed above can in each case be grouped under three heads.

In the case of *the prevention of and fight against crime*, the operational objectives are:

a) law enforcement cooperation:

- to support EU wide mechanisms for cooperation between law enforcement authorities, and between these authorities and the private sector;
- to supplement national efforts in improving information management, including data protection, in view of increased sharing of relevant law enforcement data;

– to support complementary measures for law enforcement within Member States and among Member States, such as training and awareness raising e.g. regarding data protection, technology and methodology;

– to support innovative projects involving cooperation between law enforcement authorities in different Member States.

b) crime prevention and criminology

– to develop a reliable statistical basis for recording crime in thematic priority areas;

– to increase the effectiveness of links between the public and private sectors to counter crime by developing partnership between the two;

– to support awareness raising among the general public to further crime prevention;

– to help develop methods of crime proofing;

– to foster contacts, exchange of information, best practice and technology

– to support capacity-building within Member States in respect of crime prevention through exchange of information, training, the dissemination of research results and so on.

c) protection of witnesses and victims

– to support exchange of best practice, methods, technology and so on;

– to support the development of capacity at national level to provide protection for witnesses and victims of crime

– to support measures addressing the needs of particularly vulnerable groups (e.g. children and victims of trafficking and of violent crime).

Particularly with regard to *organised crime*, the measures supported under the first two headings will be important elements for an intelligence-led law enforcement approach. Prevention and repression *of terrorism* will also be a priority under these two headings, *inter alia* through support of a network of law enforcement authorities.

More specific operational objectives in respect of *prevention, preparedness and consequence management of terrorism* and the concrete measures for achieving them include:

– the development of *compatible methods of data processing and exchange of information* coupled with a mechanism for providing early warnings of possible incidents or threats to critical installations to be passed to relevant parties wherever they are located. To help achieve the latter, it is intended to set up a secure, general rapid alert system (ARGUS) to link all specialised warning systems for emergencies that require an EU-level response, including the law enforcement community. Since it is often unclear initially whether an incident is due to an accident or terrorist attack – and it is a potential source of dangerous delay to try to determine this before taking action – all communication networks warning of threats to public safety and security should be brought together;

– support to Member States *to identify critical installations* in various sectors, damage to which poses a potential risk to public safety and carries a threat of economic disruption, to develop standardised means of assessing the risks from possible terrorist attack in each case and the scale and nature of the potential consequences should an attack occur, and to identify the means of protecting against this risk and of minimising the effects in the event of attack as well as recovery procedures. Support will comprise, for example, technical guidance based on studies and analyses, the exchange of information and good practice and help in training staff.

the establishment of *a facility for crisis management* to provide response in the event of a terrorist attack and to coordinate the activities of the various agencies dealing with security aspects and other bodies involved across the EU in dealing with the consequences. The aim is to ensure that effective action is taken with the minimum possible delay, which means developing the capability to verify the need for action, to determine the form which this should take and to begin to carry it out in immediately. Such a capability entails, in particular, detailed forwarding planning, evaluation of appropriate responses and the training of experts.

3. What are the policy options (alternative delivery mechanisms)?

Different options have been considered for achieving the above objectives: proceeding on the basis of legislative initiatives; promoting cooperation mechanisms between Member States (including peer review); issuing policy guidance at EU level; providing financial support for action at European and national level.

3.1. No policy change: If no further action is taken at EU level, it is likely that organised crime would increasingly infiltrate EU societies and the threat of terrorist attack would grow, with consequent implications for the right of EU citizen to live in an area of freedom, security and justice, and negative effects on the process of European integration. At the same time, a high level of criminal activity is likely to impede economic development, while a major terrorist attack could have a devastating effect on the EU economy as well as causing large-scale loss of life. As stated above, closer European integration in future years means that, without greater cooperation between Member States at EU level, the scale of cross-border crime is only likely to increase and the potential consequences of terrorist attack to widen. In addition, given the ability of people to move freely across national borders, action at EU level is necessary to ensure that criminals and terrorists have no safe havens in the EU and to prevent weaknesses in one Member State reducing security in the Union as a whole. Moreover, if no further action is taken at EU level to reinforce the prevention of crime and terrorism and the fight against them, policy-makers would not be addressing adequately the concerns and expectations of citizens, who consistently single out security as one of their main concerns.

3.2. Legislative instruments are necessary to strengthen cooperation between law enforcement authorities and those combating the threat of terrorism. However, given current scope for EU action in this area, these instruments alone will not be sufficient to meet the objectives set out above. The implementation of EU policy therefore needs to be supported by accompanying measures to improve cooperation, coordination and exchange of information between Member States.

3.3. Promote cooperation between Member States with no financial incentive: Cooperation between Member States is necessary to achieve the objectives set out above. However, such cooperation needs to be accompanied by concrete action to ensure: for example, the effective exchange of information between national authorities, to help develop technologies to support data security, to create and index databases and to set up the necessary networks and technical infrastructure to enable information exchange to take place.

In particular, there is a need to establish effective coordination between all relevant rapid alert systems (including law enforcement authorities and critical infrastructures) in the event of a major terrorist attack or other disaster. It is equally necessary to coordinate the activities of the large number and wide range of different operations and organisations involved in responding to such an incident if the response is to be both effective and timely as well as efficiently carried out in terms of the resources and costs involved. However, while coordination is vital, it needs to be accompanied by the implementation of the necessary measures throughout the EU in order to eliminate as far as possible

'weak points' which are particularly vulnerable to terrorist attack and which, because of the cross-border nature of the potential consequences, can affect those living far away.

To undertake these necessary complementary measures places a considerable burden on national budgets. There is therefore a need for the provision of financial support to ensure a unified and coordinated approach to the prevention of terrorism and the fight against crime, as evidence of European solidarity in the face of these twin threats to security.

3.4. Funding in support of legislation and cooperation mechanisms: From the above it is evident that financial support is necessary at EU level, to achieve both general and specific objectives in this area. In the case of *the prevention of and fight against* crime, this support will be aimed at three main areas:

a) *law enforcement*: to promote and develop coordination and cooperation between national authorities, in particular between law enforcement agencies;

b) *crime prevention and criminology*: to stimulate, promote and develop strategies, dialogue and partnership in respect of crime prevention, statistics and criminology;

c) *protection of witnesses and victims*: to promote and develop the means of protecting witnesses and victims of crime.

The following types of action could be funded across these areas:

a) projects at EU level, to be initiated and managed directly by the Commission;

b) transnational projects between organisations in at least two Member States, or in at least one Member State and an applicant country;

c) national projects in Member States, which fall into one or more of the following categories:

– serve to prepare the basis for multinational or Commission projects ("starter measures"),

– complement transnational projects and/or Commission actions ("complementary measures")

– contribute to the development of innovative methods and/or technologies with a potential for transferability on Union level, or develop such methods and/or technologies with a view to transferring them to other Member States and/or applicant countries, or

– make a significant contribution to the development of EU Union policy on preventing and/or combating crime (including partnerships between public and private bodies).

d) operating grants to non-governmental organisations pursuing objectives on a European level on a non-profit basis.

The scale of resources has been assessed in light of the needs described above, and giving the evolving nature of these, a mid-term review clause is included to enable progress in meeting the objectives and priorities to be reassessed at this stage.

Useful lessons for the implementation of the proposed mechanism can be drawn from past experience of funding programmes, such as AGIS[1]. A mid-term evaluation of this is ongoing and should provide

[1] The AGIS Programme covers all the fields of intervention that were formerly in the Grotius, Oisin, Stop, Falcone and Hippokrates programmes. In this context, most projects previously funded by Grotius (penal) are now included in "cooperation of judicial authorities". The former Oisin Programme is now

useful guidance very shortly. From the current experience in managing the programme (2003 was the first year of implementation), the following lessons should be noted:

- The high number of proposals received shows clearly the interest that the programme has among its potential beneficiaries – Ministries of Justice and Home Affairs, Police forces, Customs departments, Universities, NGO's and private companies. The demand is indeed much greater than the budget available – for 2003 the total budget amounted to 11 780 000 euros and the total grants requested were 31 610 058.00 euros, which is 2.7 times greater.
- The two most important fields of intervention are: a) the cooperation of law enforcement authorities (36.1% of the number of projects received and 48.2% of those co-financed) and b) crime prevention together with the fight of specific forms of crime (43.5% and 37.5%, respectively).
- As regards implementation, grant allocation procedures have been considered to be very complex. Indeed, a high proportion of the applications received presented administrative and/or substantive failings – but it should also be underlined that in 2003 a "learning curve" was still taking place, certain management procedures were subsequently improved and subject of clarification, notably within the AGIS Committee.
- At the level of national authorities, difficulties in coping with the transnationality and in adjusting national budget programming cycles to co-funding requirements have been identified. Indeed, the content of the projects is sometimes too close to national situations, and thus of greater interest to the lead country rather than to all member States involved. On the other hand, it seems difficult for national bodies to find partners in other Member States for innovative projects, which could lead to useful experience and results transferable to the European level.
- In some countries, national interfaces managing the AGIS programme have been set-up, and in general it can be said that capacities to access the programme have been reinforced.
- In conclusion, it can be said that despite the difficulties encountered, the AGIS Programme fulfilled its role in 2003 of providing financial support to meet the Member States' needs in this area, enhancing an European perspective. The remainder of its implementation will be closely monitored and useful lessons drawn in view of continued financial support under the new Financial Perspectives.

Existing reviews of completed research projects, which provide feedback on the effectiveness of particular research methods and techniques, will also be closely linked to the implementation of the new programme. In addition, contacts with Member States and other interested parties – through, for example, meetings of the EU Forum on the Prevention of Organised Crime - will continue to contribute to the development of funding initiatives and the determination of priorities.

As regards *prevention, preparedness and consequence management of terrorism*, financial support will be targeted at a number of crucial areas, in particular, at:

- the establishment of a secure, rapid alert system which ensures a link between communication networks warning of threats to public safety and security, be they related to law enforcement agencies or other bodies; this may also require immediate access to the resources required to deal with the incident via the Solidarity and Rapid Reaction Instrument – expertise, transport and other equipment and essential supplies as well as the means of hiring or purchasing these. As part of the central and general Crisis Centre within the Commission, which will bring

reflected in the projects of "cooperation of law enforcement authorities". Falcone and Hippokrates were replaced by "prevention and fight of criminal groups and prevention pf specific forms of crime". On the other hand, the projects now under "Victim assistance" cover a larger group then those previously under Stop. The intervention field "Support of activities" refers to operational grants, meaning those grants that aim to support the activities of an organization and not a project.

together representatives of all relevant Commission services in the event of an emergency and coordinating the activities of these and the other bodies involved, specific security facilities will have to be set up. In any case, the Crisis Centre would not replace other agencies or take over the responsibilities of national authorities in Member States, but would instead act as a transborder coordinator to ensure that the response to an emergency is carried out efficiently with the least possible delay.

– the identification and protection of critical infrastructure, i.e. infrastructure vulnerable to terrorist threats, consisting of all those facilities, networks and services which, if disrupted or destroyed, would have a serious impact on the health, safety, security and/or the economic well-being of EU citizens and/or on the effective functioning of government. Such infrastructure extends across many sectors of the economy, including banking and finance, transport and distribution, energy, utilities, health, food supply and communications, as well as key government services. It encompasses not only physical installations but also networks or supply chains which support the delivery of an essential product or service, such as the supply of food, water or energy; This will lead to the establishment of a European Programme for Critical Infrastructure Protection (EPCIP) as a means of reporting and exchanging views on measures for protecting critical installations across the EU and ensuring their continued operation. The financial support to Member States for putting in place the necessary protection measures will be provided in the Solidarity and Rapid Reaction Instrument. The finance available for this purpose might be supplemented by the Structural Funds in parts of the EU where there are particular difficulties in putting in place the protective measures required to achieve the level of security compatible with safeguarding EU common interests;

– the undertaking of audits, monitoring and evaluation activities to identify existing weaknesses, establish best practice in Member States and recommend legislative or other action where deficiencies are found with the aim of increasing the overall preparedness of the EU in the face of terrorism. This might involve the imposition of compulsory minimum security standards in relation to critical infrastructure as well as the development and transfer of technology and methods, training schemes, awareness raising and dissemination activities.

4. What are the impacts likely to result from each policy option and who is affected?

4.1 General impacts from preventing crime and the threat of terrorist attack by policy intervention at EU level

The ultimate goal of taking policy action at EU level in this area is to enhance the level of security in all Member States, to help prevent and combat crime, to ensure protection against terrorist attack and to minimise the consequences should an attack occur. As indicated above, a policy which involved no action at EU-level and left Member States individually to undertake the measures which they saw fit and were able to afford, given the resources at their disposal, would leave people and enterprises across the EU increasingly vulnerable to criminal and terrorist activity. Because of the cross-border nature of these activities and their consequences, this applies to those living in countries where national governments have invested substantially in law enforcement and preventative measures as well as to those living in Member States where more limited action has been taken.

A reduction in crime and in the threat of terrorist attack has beneficial effects on everyone living in the EU by reducing the chances of them being directly involved in an incident and by giving them an increased sense of security. All EU citizens should, therefore, experience an increase in their security to accompany the greater freedom of movement they enjoy as a result of the abolition of internal border controls within the EU, which has so far been of greater benefit to criminals and potential terrorists than law enforcement agencies. The proposed action is designed to rectify this imbalance by strengthening cooperation and coordinating activities across Member States.

The beneficial consequences of this, moreover, are not limited to individuals or to social effects. The reduced risk of crime and of terrorist attack is equally likely to have positive economic effects through encouraging investment, which should lead to higher growth rates, and job creation in areas where the level of criminal activity and the threat of terrorism was previously particularly high. Moreover, avoiding the consequences of a terrorist attack or reducing the scale of these also means escaping the severe disruption to economic activity which a major and strategically targeted attack is capable of causing.

In addition, preventing terrorist attacks can also make a major contribution to environmental protection given the potential devastation and damage to both the natural and physical environment – and tot the EU's natural heritage – which such an incident can cause (obvious examples include the destruction of a nuclear power station or a chemical plant producing toxic substances)

At the same time, it is important to recognise that increased efforts to combat crime and terrorism risk giving rise to negative social effects through greater intrusion into privacy (such as from the increased use of CCTV cameras, retention of mobile phone records or the use of confidential personal information). To prevent such effects from occurring, increased exchange of information, therefore, needs to be accompanied by adequate safeguards against its misuse and a strengthening – and harmonisation – of data protection legislation.

In addition to these general effects on EU citizens as a whole, particular groups will benefit more specifically from EU-level action to reduce crime and the threat of terrorism. These are:

– *national and regional authorities*, which will see their ability to deliver a more secure environment for people increase, along with their capacity to respond to both cross-border crime and major terrorist attacks, so helping them to meet more effectively the expectations of their citizens. In addition, their capacity to deliver services should be increased by a reduction in the proportion of economic activity taking place in the informal, or 'black', market and by a consequent increase in the tax revenue generated from more legitimate activity taking place.

Although they might experience a negative effect in the short-term from the possible need to spend more on implementing measures to prevent both crime and terrorist attack, including to protect critical infrastructure, to comply with EU standards, this should pay off in the longer-term to the extent that criminal activity and threat of attack is reduced;

– *law enforcement and counter terrorism bodies*, which will experience an increase in their capacity to carry out their work and their efficiency increase through greater and more effective cross-border cooperation, from and the opportunity to learn from the methods and techniques adopted in other Member States, from the exchange of information and expertise and from the sharing of more meaningful data. This applies both to preventing and combating crime and to measures to counter the threat of terrorism. While there may be a negative short-term impact from having to take on additional tasks, such as networking, if resources are not expanded in line, in the longer-term an increase in the cost effectiveness of their operations should enable them to achieve more from a given level of resources;

– *private enterprises*, which should benefit from lower rates of both organised and volume crime (less shop-lifting and property damage, for example, as well as a lower incidence of extortion, kidnapping, counterfeiting and large-scale robberies); the reduced threat of terrorism, the implementation of crime-proofing and counter-terrorism measures, the development of early warning systems and increased information about possible terrorist and criminal attack. More generally, they will benefit from a more secure environment which is more conducive to economic activity. While they may experience increased costs of their operations in the short-term from having to comply with more demanding crime- and terrorist-proofing standards, these will tend to be offset in the longer-term by smaller losses from criminal and terrorist activity;

– *witnesses and victims of crime*, who will enjoy more protection from violence or the threat of violence.

4.2. Impacts from the specific action proposed

The general effects described above of taking action at EU-level to combat crime and terrorism will be enhanced by the specific measures proposed within the general programme. As emphasized above, the financing instruments will help to ensure that cooperation between Member States in these areas actually takes place and that coordinated action is taken where this is required to produce the most effective outcome, including in terms of cost.

The proposed measures, therefore, provide in combination the information, guidance, access to expertise and support needed to enable minimum standards of security to be adopted throughout the EU, including in countries where both know-how and resources are lacking. In consequence, the measures proposed are designed to further the common objective of establishing an area of freedom, security and justice and to respond to the legitimate concerns of EU citizens in this respect. In particular, they will help to:

– raise awareness among public and private bodies (in addition to law enforcement authorities) of the need to offset the negative effects of free movement through cooperation and coordinated action;

– create a common knowledge base – and a common understanding – of criminal and terrorist activity and measures for countering this across the EU;

– identify and transfer the most effective methods of preventing and combating crime and the terrorist threat, including, in particular, in respect of critical infrastructure

– promote cooperation and confidence-building between law enforcement authorities, facilitate the coordination of their activities, and strengthen their capacity to combat crime and terrorist activity,

particularly in cases with a cross-border dimension;

– promote cooperation and coordination between law enforcement bodies and other organisations and involve the private sector in taking action to prevent crime and terrorist attack, so increasing security standards;

– establish the means of sharing information about the threat of criminal activity or terrorist attacks and coordinate existing information networks and early warning systems;

– establish a crisis management centre to coordinate EU and Member State activities when responding to major incidents, especially those with a cross-border dimension.

The above measures will enhance the social and economic effects of action at EU level described above. They will help to establish minimum standards of security being adopted throughout the EU with consequent benefits to all individuals and enterprises wherever they live or are located in terms of increased security against criminal and terrorist activity.

5. Further analysis and consultation of interested parties and relevant experts

The individual measures included in the *prevention of and fight against crime* have been, or are being, developed on the basis of clear mandates from the Member States (as articulated in general policy statements at European Council level, eg Tampere, Millennium Strategy, the Hague Programme) supported by more specific mandates issued by the Council or by Council working groups. In addition, there have been consultations with Parliament (Commission Communications are addressed to both the Council and the Parliament. In particular, formal analysis of the ways to enhance police and customs cooperation was conducted in a Communication issued in 2004 (COM(2004) 376). The conclusions of this study were that the main avenues for improvement were exchange of information, operational cooperation and confidence building. These views were broadly supported by the Member States who examined this issue in the Article 36 Committee in July 2004.

A range of mechanisms are in place for ascertaining Member State views and for enhancing the quality of measures (e.g. meetings of the EU Forum on the Prevention of Organised Crime; further expert meetings and consultation papers; projects funded under the AGIS programme and its predecessors; direct sponsoring of research studies by policy units and under successive framework programmes).

With specific regard to the proposed specific programme, the views of national experts were sought at two meetings of the EU Forum on the Prevention of Organised Crime in December 2004 (on crime statistics and on counterfeiting) and on the key issues of intelligence-led law enforcement, innovative projects in MS (e.g. the "Mezzogiorno project" funded through the Structural Funds), crime-proofing and crime prevention in February 2005. National experts have also been involved in broad consultation more specifically on the design of information exchange policy and data protection (meetings on the basis of a questionnaire) on the practicalities of an exchange programme between police services (through a questionnaire), while national experts dealing with FIUNET have also been consulted. The Governing Board of CEPOL has been invited to present its views also. The outline of the proposed specific programme was presented to national experts in a specific meeting on crime prevention and intelligence-led law enforcement took place on 2 February 2005.

With regard to *prevention, preparedness and consequence management of terrorism*, the extensive preparatory work and consultation carried out between the relevant Commission services and with the EU Member States (impact assessment) led to the adoption by the Commission on 20 October 2004 of the Communications *Prevention, Preparedness and Response to Terrorist attacks, Preparedness and the Consequence Management in the Fight against Terrorism* and *Critical Infrastructure*

Protection in the fight against terrorism. The Council (after consultation with the Commission) adopted on 2 December 2004 the suggested Commission policy in its conclusions on Prevention, Preparedness and Response to Terrorist Attacks and incorporated the suggested actions in the joint Council/Commission EU Solidarity Programme on the Consequences of terrorist threats and attacks (revised/widened CBRN Programme).

Further analysis and consultation on critical infrastructure protection and crisis management is under way and foreseen as the measures are developed. The establishment of a Commission Task-Force has already been agreed (composed of representatives of the DGs and services directly involved) to set-up a central Commission rapid alert system (ARGUS) and the attached Crisis Centre. The purpose of this Task Force is to develop a proposal on the set-up of the concrete system which would be equivalent to an impact assessment. At a later stage, after the Task Force has finished its work, there will be consultation with Member States.

On critical infrastructure protection, a Commission inter service group has been established. This will meet regularly and liaise, and work closely, with Member States as well as initiating a public-private sector dialogue with relevant industry representatives as part of an ongoing consultation process in the development of future measures in this area. The profile of the proposed specific programme was presented at a meeting with other Commission services and national experts on 31 January 2005.

Helping to achieve cost-effectiveness in the Community financial instrument

A key objective of the general programme "Security and Safeguarding Liberties" is to simplify and rationalise instruments both in legal and management terms, to streamline the budget structure, to increase coherence and consistency between programmes and avoid duplication of instruments.

The proposed simplification and rationalisation will benefit the end users as it increases the visibility, clarity and coherence of the instruments. Potential beneficiaries will find it easier to apply for funding in the different areas as a result of a more standardised approach and implementing provisions.

Delivery through alternative delivery mechanisms (externalisation, or shared management) has been examined in detail but was considered not appropriate at this stage.

The results envisaged could not be expected to be achieved at lower cost for several reasons:

- The level of intervention could not be lowered without running the risk of reducing the programme's impact to such a low level that the EU added value would be lost. The specific aims are set to be both achievable, given the resources proposed and in line with the expectations of the beneficiaries. The present proposal has carefully estimated the cost of reaching its objectives.
- The range of measures envisaged under this programme will address those issues which cannot be handled by individual Member State from within their own financial and/or technical resources, and which require intervention at EU, bilateral or multilateral level, in order to optimise their effectiveness at least cost.
- The harmonisation and the simplification of the procedures will also contribute to avoiding duplication and focusing actions more effectively on EU added-value.
- The rationalisation of the monitoring and evaluation procedures will enable better outcomes to achieved and will make it more possible for multiplier effects to be generated.

– With regard to volume crime, the programme is based on the premise that certain co-operation activities need to be taken at EU level in order to support prevention activities in the Member States more effectively, to avoid duplication of effort and to use resources more efficiently.

– A number of measures, for example in relation to crime statistics and crime proofing, are horizontal in nature and will support the development of effective policy and legislative responses to crime in all its manifestations.

Cost-effectiveness analysis will be further refined in the context of the preparatory work leading to the implementation of the programme. Indeed, a series of studies on the ex-ante aspects of delivery mechanisms and cost-effectiveness is foreseen in the second half of 2005.

7. Added value of the Community financial instruments

The added value of the instruments is to provide the basis for efficient cooperation between law enforcement and other relevant authorities, with the aim of all Member States being able to put in place minimum levels of measures (both legislative and operational) to protect against crime and the threat of terrorist attack. This would mean that there is no "weak point" within the EU and within its critical infrastructure which could be exploited by organised crime ('safe haven') or terrorist, while also providing a level playing field for law enforcement authorities and for the private sector. As such, it is an integral part of creating an area of justice, freedom and security.

As regards improving the quantity and quality of law enforcement relevant information available to national authorities, the EU intervention to supplement national action will allow to overcome existing systemic resistances within and between the different bodies involved. This additional support to the necessary improvements to existing communication channels and infrastructures at European level adds value by increasing capacity – indeed, individual action at national level would not be capable of achieving the same results.

In relation to previous activities in this area, the current proposal will offer a comprehensive framework and contribute to the creation of systematic procedures for cooperation on law enforcement and countering the threat of terrorism as well as for cooperation between public authorities and the private sector. Where actions or initiatives are envisaged at EU level, these will be based on effective sharing of experience and best practice, so increasing efficiency and contributing to an overall reduction in the 'unit costs' of combating crime and responding to both the threat and consequences of terrorist attack. In addition, there will be a leverage effect, in the sense that contributions will also be made by grant beneficiaries, both because this is a requirement of EU funding and because of the effects of successful pilot projects and the development of best practice in encouraging national governments to provide more funding and support.

With regard to *prevention, preparedness and consequence management of terrorism*, cooperation will have spin-off effects in terms of better targeted research on security against attack, leading to new innovative technology developments, harmonised and more efficient minimum industry security standards, more efficient resource planning and allocation, increased capacity, the development of emergency contingency plans and so on. Cooperation plus coordination of operations, while fully respecting national competences, provides the means for achieving greater efficiency and operational capability in respect of preparedness and of establishing a more rapid and effective system for consequence management throughout the EU.

Complementarity with other JLS programmes:

The general programme Security and Safeguarding Liberties and the two main strands which it comprises have the common goal, along with the two other JLS general programmes, of establishing an area of freedom, security and justice in the EU where basic human rights are fully respected. Each of the three JLS general programmes is designed to address particular aspects which are a critical part of the creation of such an area in the EU, given the integration of national economies and the goal of ensuring free movement of people as well as goods, services and capital between countries. As such, they tackle issues affecting freedom, security and justice which arise from the creation of economic and monetary union and the abolition of internal borders and which can only be effectively addressed at EU level. These issues are to do with cooperation, harmonisation, coordination of activities, the exchange and sharing of critical information and best practices and techniques, and establishing solidarity mechanisms for sharing the costs involved in pursuing common and agreed objectives in an equitable way.

They are reflected in the objectives set out in the Hague Programme adopted by the European Council in November 2004, which include: guaranteeing fundamental human rights throughout the EU, establishing minimum procedural safeguards and common access to justice, extending the mutual recognition of judicial decisions, fighting organised cross-border crime and the threat of terrorism, ensuring protection in accordance with international treaties to those in need, and regulating migration flows and controlling the external borders of the EU.

Each of the JLS general programmes is aimed at pursuing these objectives in a complementary way without duplicating activities.

The activities under the general programme, therefore, are designed to contribute to making the EU a safer place to live, where people can enjoy their basic freedoms without fear of crime or the threat of terrorist attack. As such, they are complementary to the activities undertaken under both the Solidarity and Justice programmes which have parallel aims. More specifically, the fight against organised, cross-border crime and against trafficking of people and drugs is complementary to the efforts made under general programme Solidarity and Management of Migration Flows to prevent illegal entry into the EU through the establishment of effective external border controls. The same applies to the measures taken to combat the threat of terrorism, including in particular exchange of information between relevant national, and EU-level, authorities, which both contribute to and are supported by the activities undertaken to control illegal entry.

The prevention of and fight against crime, by reinforcing law enforcement cooperation as well as to support the protection of witnesses and victims of crime, is also complementary to the actions supported under the Fundamental Rights and Justice programme to fight violence and to ensure the protection of fundamental rights (in particular as regards data protection) as well as to facilitate access to justice.

Complementarity with other instruments:

The support for the protection of victims and witnesses of crime funded under this programme is complementary to the support available under the general programme on Fundamental Rights and Justice (particularly the instruments on criminal justice and on fight against violence) which provides general assistance to victims of trafficking and violent crime.

As regards the training of police officers, an instrument already exists: the European College of Police (CEPOL) that could also provide the basis for such action on exchange of staff between police services. If CEPOL becomes a body financed by the EU budget, the dividing line between this and the new instrument will need to be reassessed.

In relation to improved information exchange, a close coordination will be ensure to create synergies

between the existing projects in different areas (SIS, VISION, EURODAC) as well as forthcoming initiatives (VIS, SIS II). Also, the implementation of existing legislation in related areas will be closely monitored, to reap the benefits in terms of overcoming systemic resistances.

Complementarity with the objectives and tasks of Europol will be kept under review to avoid any overlap between proposals under this programme and Europol's role.

The new Solidarity Fund and the Rapid Response and Preparedness Instrument will provide financial means both for immediate crisis management measures and for preparation to major emergiencies. Apart from accidents and natural disasters, this will also include emergencies caused by terrorist acts. Complementarity will be ensured on two levels: first, the programme Prevention, Preparedness and Consequence Management of Terrorism will focus on integrating specific aspects of security and law enforcement into the rapid alert and crisis management system, while the Rapid Response Instrument and the Solidarity Fund will focus on relief to affected persons and, if need be, the environment;; second, on critical infrastructure and preparedness, the proposed programme will focus on assessing and identifying specific needs in a mid-term perspective, while the emphasis of the other instruments mentioned above will be on preparedness to immediate/short-term response.

Furthermore, complementarity with the future 7th Framework Programme on Research and technological Development will be sought, regarding inter alia the priority on information society technologies (IST), and building on the research results achieved under the 5th, 6th and (in future) 7th Framework Programme, mainly in the security research area. This includes thematic areas such as law enforcement, privacy, protection of critical information infrastructure, and prevention of terrorism and other forms of crime.

8. Monitoring and evaluation

A comprehensive monitoring system will be set-up in order to regularly follow up the implementation of the activities carried out under each strand. This system should allow for the collection of information relating to the financial implementation and to the physical outputs of the programme, across the types of action and the target groups included in the programme. The information will be collected at project level - indeed, for any action financed by the programme, the beneficiary shall submit technical and financial reports on the progress of the work, as well as a final report after the completion of the action. Work on the design of the monitoring and evaluation systems will continue throughout 2005 and 2006, in the context of preparations for the implementation of the programme.

According to legal requirements and Commission's evaluation policy, the programme will be evaluated at mid-term to assess its continuing relevance and draw useful lessons for the remainder of its implementation. A review of the programme may take place then, if considered necessary. A final evaluation will take place at the end of the programming period to assess the results of the programme and advise on its follow-up. These reports will be prepared under the responsibility of the Commission, and shall be submitted to the EP and the Council.