

LEGISLATIVE FINANCIAL STATEMENT¹

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Commission proposal for a Council Regulation on the establishment of the European Public Prosecutor's Office

1.2. Policy area(s) concerned in the ABM/ABB structure

Policy area:
Fight against fraud, Activity: title 24
Justice, Activity: title 33

1.3. Nature of the proposal/initiative

- The proposal/initiative relates to **a new action**
- The proposal/initiative relates to **a new action following a pilot project/preparatory action**
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objective(s)

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

To contribute to the strengthening of the protection of the Union's financial interests and further development of an area of justice, and to enhance the trust of EU businesses and citizens in the Union's institutions, while respecting all fundamental rights enshrined in the Charter of Fundamental Rights of the European Union.

1.4.2. *Specific objectives and ABM/ABB activities concerned*

DG OLAF:
Specific objective no 7: Strengthened legal framework for protection of the financial interests of the EU.
(part of General Objective No 2: An Area of Justice and Fundamental Rights Based on Mutual Trust)
DG Justice and Consumers:

¹ This is a revised Legislative Financial Statement (LFS), reflecting the budgetary implications of the draft Regulation, which resulted from the legislative negotiations as negotiated in the Council and agreed as General Approach, on 8 June 2017. It is based on the assumptions that the Regulation will enter into force at the end of 2017 or the beginning of 2018 and the Office will begin operations three years after the date of entry into force of the Regulation. The gradual approach of the initial LFS to the setting up of the new EU body is maintained and the EPPO is expected to reach "cruising speed" in 2023.

Specific Objective No 2: Enhance judicial cooperation in criminal matters and thus contribute to creating a genuine European Area of Justice

(part of general Objective no 2: Strengthen confidence in the European Judicial Area)

ABM/ABB activities concerned:

24: Fight against fraud

33 03: Justice in criminal and civil matters

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The establishment of the European Public Prosecutor's Office is expected to increase the protection of the Union's financial interests. Its establishment is expected to lead to an increase in the number of prosecutions of the perpetrators of crimes affecting the financial interests of the EU, leading to a higher number of convictions, a higher level of recovery of illegally obtained funds and increased deterrence. In addition, its independence will ensure that investigations and prosecutions of the relevant crimes will be taken forward without direct influence of national authorities.

1.4.4. Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

Increased number and percentage of successful criminal investigations and prosecutions

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

Whereas both the Union and the Member States have an obligation to protect the Union's budget, in reality the Union has little control over the expenditure by Member States and virtually no power to intervene in cases of criminal misuse of the EU's funds. The vast majority of the EU budget is managed by national authorities (for example when they award public procurement grants financed through the EU budget) and any criminal investigations or prosecutions concerning offences affecting the Union's budget are within the competence of the Member States. Criminal investigations into fraud and other crimes against the EU budget are often hampered by **divergent legislation** and **uneven enforcement efforts** in the Member States. National law enforcement authorities, prosecutors and judges in the Member States decide in accordance with **priorities set by national criminal policy** and on the basis of national criminal law competences and procedural rules whether and, if so, how they intervene to protect the Union's budget. Consequently, the **level of protection** of the Union's financial interests **differs significantly from one Member State to another**. The fact that the rate of successful prosecutions concerning offences against the EU budget varies considerably across the EU from one Member

State to another (from 19% to 91%²) shows **a gap in the existing protection mechanisms** and calls for corrective measures.

While the grounds for the proposal remain unchanged, the Legislative Financial Statement must be updated to reflect the content of the draft Regulation as negotiated by the Council, on which the European Parliament is expected to give its consent. The main changes in comparison with the Legislative Financial Statement accompanying the Commission proposal concern the establishment of the European Public Prosecutor's Office in enhanced cooperation, with 20 participating Member States, the fact that the European Public Prosecutor's Office staff numbers will be composed of a combination of new staff and staff transferred from OLAF, Eurojust, and DG Justice, as well as the fact that the administrative services will no longer be necessarily ensured by Eurojust.

1.5.2. *Added value of EU involvement*

The added value of establishing a European Public Prosecutor's Office is mainly to be found in the **increased number of prosecutions** of crimes affecting the Union's financial interests.

The creation of a European Public Prosecutor's Office would **improve the use of resources and information exchange** necessary to be able to conduct successful investigations and prosecutions of the relevant offences. This, in turn, would strengthen the law enforcement response to these offences in general, and **increase the preventive effect (deterrence)** for potential criminals. The European Public Prosecutor's Office would be able to pool investigative and prosecutorial resources for the needs in a given situation, thereby making law enforcement at European and national level more efficient.

The European Public Prosecutor's Office will direct investigations and prosecutions in the participating Member States, ensure **effective coordination of investigations and prosecutions**, and **solve problems related to different applicable legal systems**. The current system, where the Member States are solely responsible for such investigations and prosecutions, supported by Eurojust and Europol, is not efficient enough to deal with the high levels of relevant crime and associated damages.

Ensuring that the limited financial resources of the Union are used in the best interests of EU citizens and are better protected against fraud is indispensable also for the **legitimacy of expenditure** and for ensuring **public trust in the Union**.

1.5.3. *Lessons learned from similar experiences in the past*

At **national level**, there is often insufficient information exchange on suspected offences involving EU funds between the authorities responsible for monitoring and control, those dealing with administrative investigations and law enforcement bodies. This partly arises as a result of loopholes in the procedural framework referred to above hampering efficient multidisciplinary investigations involving judicial as well as administrative, customs and tax authorities in the Member States. Agencies managing and controlling the disbursement of EU funds sometimes focus solely on

² Commission annual Report on the protection of the European Union's financial interests – Fight against fraud; COM(2012) 408

getting their money back through administrative and civil law procedures even if there are strong suspicions that a criminal act has occurred. This may lead to neglecting criminal prosecutions, and with that deterrence and general prevention.

The effective investigation and prosecution of offences against the EU's financial interests is, furthermore, hampered by the fact that law enforcement authorities and prosecutors do not always transmit information about criminal offences to their colleagues in other Member States, or to Eurojust or Europol.

In addition, the classical ways of international cooperation via mutual legal assistance (MLA) requests or via joint investigation teams (JITs) are often not functioning well enough to allow for the effective investigation and prosecution of these offences despite the efforts of European bodies such as Eurojust and Europol. Responses to MLA requests are often very slow and police and judicial authorities experience practical difficulties in contacting and cooperating with colleagues abroad due to language problems and differences in legal systems. In some States, slow and ineffective international cooperation has frequently resulted in the impossibility to pursue the case due to the fact that the prescription period had expired. In addition, cases affecting the EU's financial interests are particularly complex.

As regards **cooperation at Union level**, mixed experiences have been reported regarding the cooperation with Eurojust and Europol, and between the Member States and OLAF. Eurojust and Europol do not always receive the information they need to be able to support the Member States. OLAF provides support to Member States through its ability to grant specialised technical and operational assistance as required by Article 7 of second Protocol to the Convention on the Protection of the European Communities' Financial Interests. At the same time, OLAF's investigations are conducted subject to specific conditions, in particular when it comes to transmitting information to the national judiciary, including applicable data protection rules. Some Member States also restrict the cooperation with non-judicial bodies like OLAF based on rules of judicial secrecy.

OLAF's annual statistics demonstrate that **the cases which are transferred to national investigation and judicial authorities are not equally effectively and efficiently prosecuted across the EU**. In its eleventh operational report, OLAF analysed the judicial follow-up given by Member States to its cases over 12 years and found "very substantial differences between countries with respect to their capacity to bring EU-budget related judicial investigations and prosecutions to a conviction within a reasonable time". The fact that the average prosecution rate lies under 50% shows that there are serious difficulties in achieving overall effectiveness of investigation and prosecution in the Member States.

1.5.4. *Compatibility and possible synergy with other appropriate instruments*

Directive on the fight against fraud to the Union's financial interests by means of criminal law³

³ The Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law, published in the Official Journal of the European Union no L 198, 28.7.2017.

The Union's current actions to protect its financial interests include administrative investigations, controls and audits, as well as legislative action, including the recently adopted Directive on the fight against fraud to the Union's financial interests by means of criminal law, but do not address the deficiencies identified with respect to the investigation and prosecution of criminal offences related to the protection of the EU's financial interests. The mentioned Directive harmonises the definitions of certain offences against the Union's financial interests, as well as the applicable sanctions and limitation periods. It will provide the basis for the material competence of the EPPO.

Eurojust

Eurojust can only coordinate and encourage investigations and prosecutions, and assist with information exchange. If a Member State refuses to investigate or prosecute a case, Eurojust cannot compel it to do so. The National Members of Eurojust often lack the powers to ensure effective follow-up in the Member States, or if they do, they usually refrain from using the powers which they derive from national laws – most decisions on these sort of issues are arrived at through consensus.

The proposal on the establishment of the European Public Prosecutor's Office is accompanied by a proposal on the **reform of Eurojust** which will align it with the common approach on European agencies agreed by the Council, the European Parliament and the Commission, and will establish a link between Eurojust and the European Public Prosecutor's Office. This reform might lead to more efficient information exchange and better cooperation between the national authorities.

There are, and will always be, cases where both the European Public Prosecutor's Office and Eurojust need to be involved, in particular cases where the suspects are involved in both crimes affecting the Union's financial interests and other forms of crime. This implies that there will be a need for continuous close cooperation. To ensure that this takes place, provisions have been included in both Regulations to set out that the European Public Prosecutor's Office may request that Eurojust, or its national members, intervene, coordinate, or otherwise use their powers in a given case.

While the Commission proposal provided that the administrative services of the European Public Prosecutor's Office would be provided by Eurojust on a zero-cost basis, the draft Regulation did not retain that link. Therefore, the administrative services of the European Public Prosecutor's Office are now to be ensured by a combination of new staff and staff to be transferred from Eurojust, while the possibility of Eurojust providing certain administrative services to the European Public Prosecutor's Office is maintained.

OLAF

Currently OLAF conducts administrative investigations for the protection of the EU's financial interests. Once the European Public Prosecutor's Office is established, it will closely cooperate with OLAF, including by exchanging information and the possibility for the EPPO to request OLAF's assistance.

A part of OLAF's resources will be used in order to set up the European Public Prosecutor's Office, taking into account their experience in the conduct of

administrative investigations and the objective of avoiding the duplication of administrative and criminal investigations. The Office will also be able to ask OLAF for specialised support, in the context of its investigations.

Regulation 883/2013 concerning investigations conducted by OLAF was adopted and entered into force in 2013. This Regulation is currently being evaluated, in accordance with the requirement laid down in Article 19.

The revised Legislative Financial Statement provides for a decrease in the number of OLAF staff to be transferred to the EPPO, as compared to the original Commission proposal, given OLAF's continued role in the protection of the EU's financial interests, as well as the decrease in the staff of the EPPO established in enhanced cooperation and sharing its competence with the Member States.

Europol

The role of Europol is limited to providing intelligence and support to national law enforcement activities. It cannot ensure follow-up to its analyses in the Member States, nor direct national investigations. The powers of Europol are also limited by the TFEU. Under Article 88 TFEU Europol cannot independently investigate crime, and any operational action must be carried out by Europol in liaison and with the agreement of the national law enforcement authorities. Whilst the support functions of Europol are certainly important, these cannot substitute for the powers to independently investigate criminal behaviour.

The Europol Regulation 2016/794 was adopted by the legislator in 2016 and became applicable on 1 May 2017. It focuses on aligning Europol's competences with the TFEU and on making it a hub for information exchange, while granting new responsibilities regarding training. It does not comprise police investigation and law-enforcement powers in the area of the protection of EU's financial interests.

1.6. Duration and financial impact

Proposal/initiative of **limited duration**

Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY

Financial impact from YYYY to YYYY

Proposal/initiative of **unlimited duration**

Implementation with a start-up period from 2018 to 2023,
followed by full-scale operation.

1.7. Management mode(s) envisaged

Direct management by the Commission

by its departments, including by its staff in the Union delegations;

by the executive agencies;

Shared management with the Member States

Indirect management by delegating implementation tasks to:

third countries or the bodies they have designated;

- international organisations and their agencies (to be specified);
- the EIB and the European Investment Fund;
- X bodies referred to in Articles 208 and 209 of the Financial Regulation;
- public law bodies;
- bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
- bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
- persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

If more than one management mode is indicated, please provide details in the "Comments" section.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The European Public Prosecutor's Office shall issue an annual report on its activities. The European Chief Prosecutor shall appear before the European Parliament and the Council once a year, and before the national parliaments at their request, to give account of the general activities of the European Public Prosecutor's Office, taking into account the obligation of discretion and confidentiality.

In addition, within five years following the date on which the Office assumes its investigative and prosecutorial tasks, the European Commission shall commission an evaluation on the implementation and impact of this Regulation, as well as on the effectiveness and efficiency of the EPPO and its working practices.

2.2. Management and control system

2.2.1. Risk(s) identified

Investigation and prosecution measures, including enforcements powers are sensitive activities which partially affecting human rights and therefore, can trigger claims for damages.

Processing of personal data in pending investigations can also be a reason for claims for damages in case of unlawful processing.

2.2.2. Control method(s) envisaged

Under the **standard discharge procedure** the European Public Prosecutor's Office is under the obligation, inter alia:

- to send the provisional accounts to the Commission's Accounting Officer and the Court of Auditors;
- to send the final accounts to the European Parliament, the Council, the Commission and the Court of Auditors;

- to submit to the European Parliament, at the latter's request, any information required for the smooth application of the discharge procedure for the financial year in question.

Moreover, as regards **combating fraud and audits by the European Court of Auditors**, once operational:

- The European Public Prosecutor’s Office shall accede to the Interinstitutional Agreement of 25 May 1999 concerning internal investigations by the European Anti-fraud Office (OLAF) and adopt the appropriate provisions applicable to all the employees of the Office using the template set out in the Annex to that Agreement.
- The European Court of Auditors shall have the power of audit, on the basis of documents and on the spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds from the Office.
- OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down the applicable EU rules with a view to establishing whether there has been any irregularity affecting the financial interests of the Union in connection with a grant or a contract funded by the European Public Prosecutor’s Office.
- Working arrangements with third countries and international organisations, contracts, grant agreements and grant decisions of the European Public Prosecutor’s Office shall contain provisions expressly empowering the European Court of Auditors and OLAF to conduct such audits and investigations, according to their respective competences.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

Adoption of an anti-fraud strategy, which is proportionate to the fraud risks having regard to cost-benefit of the measures to be implemented.

Adoption of rules for the prevention and management of conflicts of interest in respect of its staff members.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./non-diff. (4)	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial

⁴ Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations.

						Regulation

New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
3	33.03.YY.YY EPPO	DIFF	NO	NO	NO	NO

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure (in 2017 prices)

The resources outlook beyond 2020 as described in this section is indicative and without prejudice to the Commission proposals for the post-2020 multiannual financial framework.

EUR million (to three decimal places)

Heading of multiannual financial Framework:	Number 3	Security and Citizenship
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EPPO			2018	2019	2020	2021	2022	2023	TOTAL 2018- 2023
Title 1 ⁵	Commitments	(1)	0	2.254	3.294	7.658	9.252	11.328	33.786
	Payments	(2)	0	2.254	3.294	7.658	9.252	11.328	33.786
Title 2 ⁶	Commitments	(1a)	0	0.690	0.986	1.479	1.676	1.972	6.803
	Payments	(2a)	0	0.690	0.986	1.479	1.676	1.972	6.803

⁵ A gradual recruitment has been foreseen, from 2018 to 2023.

⁶ The host Member State, Luxembourg, offers a building and ensures the first fitting of the building with all office, IT and security equipment. Purely utility costs and ICT costs per square meter have been included here.

Title 3 ⁷	Commitments	(3a)	0	1.964	1.964	4.063	4.649	5.377	18.019
	Payments	(3b)	0	1.967	1.967	4.063	4.649	5.377	18.022
TOTAL appropriations for EPPO	Commitments	=1+1a +3a	0	4.911	6.247	13.200	15.577	18.677	58.612

Heading of multiannual financial framework:	5	‘Administrative expenditure’
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EUR million (to three decimal places)

		2018	2019	2020	2021	2022	2023	TOTAL 2018- 2023
DG: JUST								
• Human Resources *		0.179	0.179	0.179	0.179	0.179	0.179	1.074
• Other administrative expenditure		0.050	0.050	0.050	0.050	0.050	0.050	0.300
TOTAL DG JUST	0.229	0.229	0.229	0.229	0.229	0.229	0.229	1.374
OLAF								
• Human Resources *		0.138	0.138	0.138	0.138	0.138	0.138	0.828
• Other administrative expenditure		0.050	0.050	0.050	0.050	0.050	0.050	0.300
TOTAL OLAF	0.188	0.188	0.188	0.188	0.188	0.188	0.188	1.128

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	0.417	0.417	0.417	0.417	0.417	0.417	2.502
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EUR million (to three decimal places)

		2018	2019	2020	2021	2022	2023	TOTAL 2018- 2023
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This title is calculated based on the experience of OLAF in investigative work. In addition, the costs for the EDPs (32.25 FTE European Delegated Prosecutors at 80 % of an AD 9 salary, adjusted to take into account the correction coefficients, plus the estimated pension contribution by the Office), the building of the case management system, the cost of exceptionally expensive investigation measures and the cost of translations are included. The EDPs will take up their positions at the moment when the EPPO begins operations, while the development of the case management system will require financing from 2019.

TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	0	6.664	7.291	13.617	15.944	19.094	62.610
	Payments	0	6.664	7.291	13.617	15.944	19.094	62.610

* The **human resources** required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

The **administrative appropriations** required will be met by the appropriations which are already assigned to management of the action and/or which have been redeployed, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of existing budgetary constraints.

Reductions in order to achieve cost-efficiencies in Heading of multiannual financial framework:	5	‘Administrative expenditure’
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Reduction in Heading 5 (OLAF)		2018	2019	2020	2021	2022	2023	TOTAL 2018-2023
24.010700.0101 ⁸	Commitments	0.000	-0.138	-1.040	-1.942	-3.050	-4.986	-11.156
	Payments	0.000	-0.138	-1.040	-1.942	-3.050	-4.986	-11.156
TOTAL reductions in Heading 5 (OLAF)	Commitments	0.000	-0.138	-1.040	-1.942	-3.050	-4.986	-11.156

Reduction in Heading 5 (JUST)		2018	2019	2020	2021	2022	2023	TOTAL 2017-2023
Staff salaries and administrative appropriations (33.01 01 and corresponding admin. appropriations lines)	Commitments	0.000	-0.138	-0.138	-0.484	-0.484	-0.484	-1.728
	Payments	0.000	-0.138	-0.138	-0.484	-0.484	-0.484	-1.728
TOTAL reductions in Heading 5 (JUST)	Commitments	0.000	-0.138	-0.138	-0.484	-0.484	-0.484	-1.728

⁸ The transfer of staff from OLAF, DG Justice and Eurojust are reflected in section 3.2.3 – Impact on human resources.

TOTAL reductions in Heading 5 (OLAF and JUST)	Commitments	0.000	-0.276	-0.276	-1.454	-3.738	-5.606	-11.350
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Reduction in Heading 3 (Eurojust)		2018	2019	2020	2021	2022	2023	TOTAL 2017-2023
Title 1	Commitments	0.000	-0.828	-0.966	-1.314	-1.800	-1.800	-6.708
	Payments	0.000	-0.828	-0.966	-1.314	-1.800	-1.800	-6.708
TOTAL reductions in Heading 3	Commitments	0.000	-0.828	-0.966	-1.314	-1.800	-1.800	-6.708

3.2.2. Estimated impact on [body]'s appropriations

The proposal/initiative does not require the use of operational appropriations

The proposal/initiative requires the use of operational appropriations, as described below:

Commitment appropriations in EUR million (to three decimal places) in 2017 prices

Indicate objectives and outputs ↓			2018	2019	2020	2021	2022	2023							
			RÉALISATIONS (output) ⁹												
	Type	Average costs	Number	Costs	Number	Costs	Number	Costs	Number	Costs	Number	Costs	Number	Costs	Total Costs
SPECIFIC OBJECTIVE NO 1 Protection of financial interest investigations															
- Réalisation	cases	0.008	0	0	0	0	0	60	8.164	300	9.634	600	11.552	29.350	
Subtotal for specific objective N°1				0		0		8.164		9.634		11.552	29.350		
SPECIFIC OBJECTIVE NO 2 Protection of financial interest prosecutions															

⁹ This table is based on the division of the EPPO's activities into three main categories of tasks: investigations, prosecutions, and cooperation with others. The number of cases attributed to each type of activity is purely indicative, as the actual division of tasks may be different. The number of cases is based on the revised assumptions on the number of cases that the EPPO will investigate and prosecute (970 cases, of which 10% in the first year of operations, 50% in the second year, and 100% in the third year). The expenditure foreseen for the period 2018-2020 (the setting-up phase) is reflected separately.

- Réalisation	cases	0.008 3	0	0	0	0	0	0	27	3.675	135	4.337	270	5.200	13.212
Subtotal for specific objective N 2				0		0		0		3.675		4.337		5.200	13.212
SPECIFIC OBJECTIVE NO 3 Cooperation with others															
- Réalisation		0.008 3	0	0	0	0	0	0	10	1.361	50	1.606	100	1.925	4.892
Subtotal for specific objective N 3				0		0		0		1.361		1.606		1.925	4.892
Preparatory phase (common for all objectives)				0		4.911		6.247		0		0		0	11.158
TOTAL COSTS				0		4.911		6.247		13.200		15.577		20.839	66.612

3.2.3. Estimated impact on EPPO's human resources

3.2.3.1. Summary

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as described below:

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts (FTE)	0	32	5	23	8	12
- Of which AD	0	26	3	14	4	4
- Of which AST	0	6	2	9	4	8
External personnel (FTE)	0	0	5	17	7	6
- Of which contract agents	0	0	5	17	7	6
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff (per year)	0	32	10	40	15	18
Total staff (cumulative)	0	32	42	82	97	115

EUR million (to three decimal places, in 2017 prices)¹⁰

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts	0	2.254	0.690	3.174	1.104	1.656

¹⁰ It is assumed that the European Chief Prosecutor will take up his/her position on 1 March 2019, while the European Prosecutors will do the same on 1 July 2019. The other EPPO staff will take up their positions on 1 March 2019.

- Of which AD	0	1.840	0.414	1.932	0.552	0.552
- Of which AST	0	0.414	0.276	1.242	0.552	1.104
External personnel (FTE)	0	0	0.350	1.190	0.490	0.420
- Of which contract agents	0	0	0.350	1.190	0.490	0.420
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff expenditure (per year)	0	2.254	1.040	4.364	1.594	2.076
Total staff expenditure (cumulative)	0	2.254	3.294	7.658	9.252	11.328

Estimated requirements of human resources for the parent DG

The proposal/initiative does not require the use of human resources.

The proposal/initiative requires the use of human resources, as described below:

Estimate to be expressed in full amounts (or at most to one decimal place)

	2018	2019	2020	2021	2022	2023
• Establishment plan posts (officials and temporary staff)						
33 01 01 01 Staff JUST	1.3	1.3	1.3	1.3	1.3	1.3
24 01 07 00 01 01 Staff OLAF	1	1	1	1	1	1
XX 01 01 02 (Delegations)						
XX 01 05 01 (Indirect research)						
10 01 05 01 (Direct research)						
• External staff (in Full Time Equivalent: FTE)						
XX 01 02 01 (CA, SNE, INT from the 'global envelope')						
XX 01 02 02 (CA, LA, SNE, INT and JED in the delegations)						
XX 01 04 yy	- at Headquarters					
	- in delegations					
XX 01 05 02 (CA, SNE, INT - Indirect research)						
10 01 05 02 (CA, SNE, INT - Direct research)						
Other budget lines (specify)						

TOTAL	2.3	2.3	2.3	2.3	2.3	2.3
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XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Officials and temporary staff	Policy follow-up and advise to the EPPO, budgetary and financial advice to the EPPO and actual payments of the subsidy, discharge, draft budget procedures
External staff	Not applicable

Description of the calculation of cost for FTE equivalent should be included in the Annex, section 3.

Part of the EPPO human resources will be compensated by decreases in OLAF, DG Justice and Eurojust resources of the same amount in appropriations or FTE.

Decrease in OLAF resources:

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts (FTE)	0	1	4	4	6	12
- Of which AD	0	1	2	2	2	4
- Of which AST	0	0	2	2	4	8
External personnel (FTE)	0	0	5	5	4	4
- Of which contract agents	0	0	5	5	4	4
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff (per year)	0	1	9	9	10	16
Total staff (cumulative)	0	1	10	19	29	45

EUR million (to three decimal places) in 2017 prices

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts	0	0.138	0.552	0.552	0.828	1.656
- Of which AD	0	0.138	0.276	0.276	0.276	0.552
- Of which AST	0	0	0.276	0.276	0.552	1.104
External personnel (FTE)	0	0	0.350	0.350	0.280	0.280
- Of which contract agents	0	0	0.350	0.350	0.280	0.280
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff expenditure (per year)	0	0.138	0.902	0.902	1.108	1.936
Total staff expenditure (cumulative)	0	0.138	1.040	1.942	3.050	4.986

Decrease in Eurojust resources:

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts (FTE)	0	6	1	1	2	0
- Of which AD	0	0	1	1	2	0
- Of which AST	0	6	0	0	0	0
External personnel (FTE)	0	0	0	3	3	0
- Of which contract agents	0	0	0	3	3	0
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff (per year)	0	6	1	4	5	0
Total staff (cumulative)	0	6	7	11	16	16

EUR million (to three decimal places) in 2017 prices

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts	0	0.828	0.138	0.138	0.276	0
- Of which AD	0	0	0.138	0.138	0.276	0
- Of which AST	0	0.828	0	0	0	0
External personnel (FTE)	0	0	0	0.210	0.210	0
- Of which contract agents	0	0	0	0.210	0.210	0
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff expenditure (per year)	0	0.828	0.138	0.348	0.486	0
Total staff expenditure (cumulative)	0	0.828	1.314	1.314	1.800	1.800

Decrease in DG Justice resources

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts (FTE)	0	1	0	2	0	0
- Of which AD	0	1	0	2	0	0
- Of which AST	0	0	0	0	0	0
External personnel (FTE)	0	0	0	1	0	0
- Of which contract agents	0	0	0	1	0	0
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff (per year)	0	1	0	3	0	0
Total staff (cumulative)	0	1	1	4	4	4

EUR million (to three decimal places) in 2017 prices

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts	0	0.138	0	0.276	0	0
- Of which AD	0	0.138	0	0.276	0	0
- Of which AST	0	0	0	0	0	0
External personnel (FTE)	0	0	0	0.070	0	0
- Of which contract agents	0	0	0	0.070	0	0
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff expenditure (per year)	0	0.138	0	0.346	0	0
Total staff expenditure (cumulative)	0	0.138	0.138	0.484	0.484	0.484

Posts not covered by decreases in the resources of OLAF, Eurojust and DG Justice

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts (FTE)	0	24	0	16	0	1
- Of which AD	0	24	0	9	0	0
- Of which AST	0	0	0	7	0	1
External personnel (FTE)	0	0	0	8	0	1
- Of which contract agents	0	0	0	8	0	1
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff (per year)	0	24	0	24	0	2
Total staff (cumulative)	0	24	24	48	48	50

EUR million (to three decimal places) in 2017 prices

Human resources	2018	2019	2020	2021	2022	2023
Establishment plan posts	0	3.312	0	2.208	0	0.138
- Of which AD	0	3.312	0	1.242	0	0
- Of which AST	0	0	0	0.966	0	0.138
External personnel (FTE)	0	0	0	0.560	0	0.070
- Of which contract agents	0	0	0	0.560	0	0.070
- Of which Seconded National Experts (SNE)	0	0	0	0	0	0
Total staff expenditure (per year)	0	3.312	0	2.768	0	0.208
Total staff expenditure (cumulative)	0	3.312	3.312	6.080	6.080	6.288

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible with the current multiannual financial framework, but may entail the use of special instruments as defined in the MFF Regulation.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.
- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

The EU contribution covering the gradual building up of the European Public Prosecutor's Office will be financed under Heading 3 (Security and Citizenship). The corresponding amounts, which will be partially offset by a reduction in the EU contribution to EUROJUST (which is also financed from Heading 3), are not yet included in the current financial programming for the Heading. Consequently, the funding of the European Public Prosecutor's Office may require the use of special instruments as defined in the MFF Regulation.

Expenditure under Heading 5 (Administration) should be reduced as compared to the current financial programming to take into account the transfer of staff and related administrative expenditure from OLAF and DG Justice to the European Public Prosecutor's Office.

The resources outlook beyond 2020 is indicative and without prejudice to the Commission proposals for the post-2020 multiannual financial framework.

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023	Total
Specify the co-financing body							
TOTAL appropriations cofinanced							

3.3. Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.
- Proposal/initiative has the following financial impact:
- on own resources
- on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative					
		2018	2019	2020	2021	2022	2023
Article XX		pm	pm	pm	pm	pm	pm

For miscellaneous 'assigned' revenue, specify the budget expenditure line(s) affected.

[...]

Specify the method for calculating the impact on revenue.

Article 11 of the Making Available Regulation 609/2014 will be applied to take account of the impact on non-participating countries of the expenditure related to the EPPO under enhanced cooperation.