Explanatory note to the Management Board on the

COMPREHENSIVE STRATEGY FOR THE ACQUISITION AND LEASING OF FRONTEX OWN TECHNICAL EQUIPMENT - REVISED STRATEGIC CONSIDERATIONS

1. Legal basis and procedure

Article 38(1) of the European Border and Coast Guard Regulation\(^1\) (EBCG Regulation), provides that the Agency may acquire either on its own or as co-owner with a Member State, or lease technical equipment to be deployed during joint operations, pilot projects, rapid border interventions, return operations, return interventions, by migration management support teams, or in technical assistance projects in accordance with the financial rules\(^2\) applicable to the Agency. Furthermore Article 38(2) states that any acquisition or leasing of equipment entailing significant costs to Frontex should be preceded by a thorough needs and cost-benefit analysis.

The adopted Strategy for the Acquisition and Leasing of Frontex own Technical Equipment\(^3\), sets the ambition of being able to cater to the baseline requirements of the operational needs by 2027. With 2018 and 2019 dedicated to proving the concept, the gradual and incremental approach sees further development of the Agency in order to assume the responsibility of shouldering the peak requirements of the operational needs. The strategy also foresees further development into a Comprehensive Long Term Strategy (Comprehensive Strategy) by the Agency in close consultation with Member States, which shall cover all aspects of acquisition and through-life management in support of developing border and coast guard capabilities. Building on the achieved progress and acquired know-how, considering provisions of the potential new EBCG Regulation, Technical and Operational Integrated Border Management Strategy and deriving from the needs identified by operational objectives the Comprehensive Strategy will ensure long-term sustainable provision of the necessary equipment for Frontex joint operations.

2. Actions proposed to the Management Board

The Management Board is requested to take note on the current state-of-play and the strategic considerations to take into account in order to ensure a comprehensive approach to the Agency’s acquisition and through-life management related activities, for the short, medium and long term.

3. Summary of key points

3.1. Delivering equipment for operations today

At present, the portfolio of contracts is gradually growing and currently includes provision of services for surveillance and passenger transfers, chartering of aircraft, leasing of vehicles and facilities, and ownership of handheld equipment. In 2018:

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\(^3\) Management Board Decision No 28/2017 of 27 September 2017 adopting the Strategy for Acquisition and Leasing of Frontex own Technical Equipment
• 3 framework contracts were established for the chartering of aircrafts for return operations, the leasing of off-road patrol vehicles and the acquisition of handheld equipment for border surveillance and border checks;

• 101 specific contracts and orders were implemented within the scope of previously established framework contracts;

• 9 single contracts for different types of services were signed;

• 2 contract award decisions were made for aerial surveillance services and for acquisition of vehicles for migration management support.

Planned projects in 2019 include:

• Acquisition of Mobile surveillance systems, cooled thermal cameras and x-ray gates;

• Chartering of a maritime vessel with technical crew;

• Leasing of deployable office facilities for Spain;

• The enhancement of aerial surveillance services using Medium Altitude Long Endurance (MALE) Remotely Piloted Aircraft Systems (RPAS) drawing on the successful pilot project of 2018;

• Provision of services such as interpretation services and insurances;

• Developing the Agency’s own logistics support to manage its own inventory of technical equipment as well as its ability to monitor, track and capture data related to the utilisation of own equipment in operations;

• Developing the Agency’s ability to deploy and sustain its own technical equipment through contracts for storage, transport, distribution and refuelling;

• Establishing Model agreements - to be tailored for and signed with each MS/SAC, as required by Article 38(5) of the EBCG Regulation⁴ - govern the use of the Agency’s technical equipment in operational activities.

Full details on past, present and planned acquisition related activities can be found in Annex 1.

For the short term, while continuing to implement the planned acquisition projects, pending the negotiations of the next MFF and the new Regulation, the ambition is to retain a small logistics burden on the Agency to free the resources for building acquisition capabilities. Therefore:

• Where possible, contracting of services and leasing of equipment are opted for, leaving the through-life management responsibilities with the supplier⁵;

• However, for bespoke equipment and complex systems, typically not readily available on the market, ownership is the only option. In this context the goal is to include options for logistics support (i.e. maintenance) in the contract with the supplier or explore opportunities for outsourcing to a third party while in parallel seeking the additional support of MS/SAC (i.e. secure parking and storage in the operational areas. Insurance will be managed through separate contracts.⁶

• Ownership is also the most appropriate option for wearables and sanitary supplies.

• To sustain both leased and owned vehicles in operational areas refuelling will be enabled by contracts with fuel distributors.

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⁵ FASS, Passenger transfer services by land; Passenger transfer services by sea; Off-road vehicles for operational activities; Chartering of aircrafts for return operations; Deployable facilities; Aerial surveillance services (with EFCA); Chartering of maritime vessel; Language services.
⁶ Handheld equipment for border surveillance and border checks; Document inspection devices; Vehicles for migration management; Handheld equipment; Mobile surveillance systems.
• Separate contracts to acquire an inventory management system as well as systems for monitoring, tracking and data capture will be needed.

• For transport, separate contracts may be needed to deploy larger equipment, whereas courier services can be used for small and simple equipment.

In order to make better use of equipment funded by the Internal Security Fund Specific Actions (ISF/SA) for joint operations the following could be considered. For the short-term, Frontex recommends the following:

• With access to information related to the type and number of technical equipment that the awarded national authorities acquired during 2018, Frontex would be able to better estimate the Technical Equipment to be requested under ISF/SA.

• Formalising the role for the Agency in the context of ISF/SA would help to align expectations on what is expected of the Agency when e.g. planning calls, evaluating proposals, monitoring progress of ongoing acquisition projects and ensuring that the Agency benefits from the acquired equipment once delivered to MS/SAC in the Agency’s operational activities.

3.2. The future strategic outlook

Member States and Schengen Associated Countries (MS/SAC) together with Frontex ensure safe and well-functioning external borders providing security. Ultimately, the goal is to ensure the European area of freedom, security and justice.

The security of the Union is addressed in a number of key EU policy documents such as the Commission Communication on the Security of the Union7 and the EU Global Strategy8. With the Multiannual Financial Framework (MFF) for 2021-2027 approaching, the European Commission’s proposal9, emphasises the security of the Union, placing Frontex at the core of a fully integrated EU border management system, including a standing corps of 10 000 border guards by 2027 and funding in excess of EUR 21 billion. The European Commission further cements this in its proposal for the new Regulation of the Agency10, acknowledging the need for capability development planning in the context of establishing the Standing corps, training, acquisition and leasing of equipment, and research and innovation11.

In order to make optimal use of the next MFF and the new Regulation once they have been adopted, it is important to understand what the future may hold. Although it is difficult to predict the future, it is possible to forecast future trends. From the trends it is possible to assess likelihood of different challenges, threats and hazards that may impact the smooth and lawful transit of persons and goods across EU’s external borders in order to:

• Avoid the occurrence of crisis and events at the external borders by striving to predict and prevent them before they surface by maintaining common situational awareness and being able to exploit actionable intelligence;

• Launch timely, appropriate and adequate reactive and stabilising response if and when crisis and events occur at the external borders through thorough planning, implementation and evaluation of operational activities;

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7 Commission Communication on the Security of the Union COM (2017) 779 Final
9 Communication from the Commission to the European Parliament, the European Council, the European Economic and Social Committee and the Committee of the Regions - A modern budget for a Union that protects, empowers and defends - The Multiannual Financial Framework for 2021-2027, COM(2018) 321 final
11 Recital (63) - (65) and Section 9 Capabilities Articles 55 - 67
• Enable preparedness and readiness to respond to crisis and events at the borders by comprehensively and systematically detecting shortfalls in order to identify capabilities, relevant for the needs of today, resilient to adapt to the needs of tomorrow, and robust to countermeasures.

In the spirit of shared responsibility controlling the external borders should be based on the horizontal\textsuperscript{12} and strategic\textsuperscript{13} components, which are defined in the EBCG Regulation\textsuperscript{14}. Fully Integrated Border Management (IBM) is subsequently achieved when implementing measures in Third countries of origin and transit, neighbouring Third countries, at the EU’s external borders and within the Schengen area.

The capabilities needed to control the EU’s external borders in an integrated manner should revolve around trained personnel using technical equipment, drawing on the full potential of technological developments and necessary logistic support, in an organisation with a clear command and control structure, timely supplied with adequate and accurate information in order to provide operational response in a safe and healthy manner.

3.3. Towards a comprehensive approach to acquisition and leasing of technical equipment

A comprehensive approach to planning the acquisition and executing of technical equipment needs therefore to fit within the policy and legal framework of the EU, which include the new MFF, the Regulation and the Technical and operational strategy for IBM, all of which have yet to be adopted. Furthermore the approach needs to be based on a robust process that identifies and prioritises capability needs and to what extent technical equipment will be needed to cover shortfalls.

\begin{figure}
\centering
\includegraphics[width=0.5\textwidth]{comprehensive_approach}
\caption{A comprehensive approach to acquisition based on the policy and legal frameworks of the EU and a robust capability planning process.}
\end{figure}

\textsuperscript{12} Fundamental rights; Training; Research and innovation.
\textsuperscript{13} a) Border control; b) Search and rescue; c) Risk analysis; d) Cooperation between Member States; e) inter-agency cooperation; f) Cooperation with Third Countries; g) Technical and operational measures within the Schengen area; h) Return of third country nationals; i) Use of state-of-the-art technology; j) Quality control mechanism; k) Solidarity mechanism.
\textsuperscript{14} Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard
The process for establishing and implementing the Capability Development Plan (CDP) would include five phases:

- **Planning:** The planning phase would build on the Agency's resources for lessons learned from past and present operations. It would use strategic foresight to map future trends while drawing on risk analysis, research and vulnerability assessment to identify challenges, opportunities and shortfalls respectively. Aided by operations analysis and training needs assessment, the concepts of for how Frontex should operate could be defined. This would provide a solid base for establishing a plan, which would define what types of capabilities should be developed to counter a broad spectrum of challenges and threats at the external borders.

  **Programming:** Based on this plan activities could be programmed for the short, medium and long term, establishing what Frontex should do while providing advice on what should be addressed through the future Integrated Border Management Fund (IBMF) and through national initiatives;

- **Budgeting:** The programming would subsequently provide a solid input to the annual budget cycles in the framework of a multiannual scheme;

- **Development:** Following the establishment of the budget, development actions could be launched across a number of lines of development including:
  
  - **Policies and concepts** to provide a framework for the different types of capabilities, their organisation and structure, and the way they are employed;
  
  - **Science, technology and innovation** to enable the adoption and insertion of novel capabilities, systems and technologies;
  
  - **Personnel and training** in view of the potential establishment of the standing corps;
  
  - **Equipment and support** to enable the acquisition and through-life management of Frontex own assets, balancing affordability with effect;
  
  - **Infrastructure and logistics** to make Frontex own capabilities operationally available;
  
  - **Safety and health** of deployed personnel and equipment in operations.

- **Implementation:** The process of developing and delivering capabilities would both support the engagement of pools for the operations of today and support the transformation of the pools to be able to counter the challenges and threats of the future.
3.4. Core principles for acquisition planning

The core principles guide the planning and implementation of acquisition and through-life management activities can be summarised as follows:

- **Acquisition plans** should be derived from the Technical and operational strategy for IBM and be in line with the CDP;

- Based on the CDP the **capability needs should first be established** in appropriate concepts of operations in order to provide the overarching requirements framework for any technical equipment to be acquired;

- By developing **illustrative scenarios** for what border management may be faced with in the future - at the strategic, operational and tactical levels - provides a common picture for all stakeholders involved to better understand the needs, not least in the context of assessing innovation opportunities;

- **Functional and technical requirements** should subsequently be developed adopting best practices in systems engineering adhering to established **international technical standards** to ensure interoperability, taking into account the Agency’s own requirements harmonisation efforts;

- The **choice of acquisition model** (i.e. ownership versus leasing) should take into account opportunities for Joint Procurement. It should furthermore be incorporated in the systems engineering process, balancing lifecycle affordability with the desired operational effect and availability (including the size of the logistics footprint), the potential of ongoing developments in technology, availability on the market (taking into account limiting factors such as unwanted non-EU supply chain dependencies), sustainability and social responsibility.
4. Conclusions and Way Ahead

In conclusion, the development and delivery of capabilities is complex. Regardless of the outcome of the ongoing negotiations of the MFF and the new Regulation, there is a need to consolidate the planning, programming and budgeting of development activities, including those associated with acquisition of equipment. For the long term, a systematic approach based on the IBM and CDP will enable for informed decision making on acquisition of different types of equipment, simple and complex, taking into account the long-term implications in the evolving context of the Agency, as an acquirer and end-user. Of particular importance is the need to be able to assess the support from national and international organisations (e.g. NATO Support and Procurement Agency, United Nations Office for Project Services, European Defence Agency, and Organisation for Joint Armament Cooperation), the viability of Joint Procurement and whether to opt for leasing or ownership. Furthermore, working around common illustrative scenarios will help steer efforts in research in order to be able to be incorporated into equipment that will be acquired.
<table>
<thead>
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<th>Service</th>
<th>Level</th>
<th>Month</th>
<th>Category</th>
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<tr>
<td>Logistic support - Transport and distribution</td>
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<td></td>
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***) Cooled thermal cameras  
****) Medium Altitude, Long Endurance, Remotely Piloted Aircraft Systems

As logistics is an integral part of sustaining the availability of equipment and services, the following chart demonstrates the short term logistics needs for 2018 and 2019 (Table 3).

### Table 3: Logistics support needs under fulfilment (2018 and 2019)

<table>
<thead>
<tr>
<th>Running contracts and projects in preparation</th>
<th>Inventory Management</th>
<th>Monitoring, tracking and data capture</th>
<th>Secure storage / parking</th>
<th>Refuelling</th>
<th>Insurance</th>
<th>Transport and distribution</th>
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<td>Vehicles for migration management</td>
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<tr>
<td>Chartering of maritime vessel (pilot project)</td>
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<td>Interpretation and cultural services</td>
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<td>MALE RPAS***</td>
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</table>

*) Night vision goggles and binoculars, thermal cameras, heartbeat detectors and carbon dioxide detectors.
***) Cooled thermal cameras
****) Medium Altitude, Long Endurance, Remotely Piloted Aircraft Systems