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NOTE

from: Presidency
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COMIX 749

Subject: Draft Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visa
- Compromise proposal by the Presidency

Delegations will find in annex the compromise proposals of the Presidency to start the second reading of the ISF Borders and Visa Regulation, taking into account the discussion on 21-22 March 2012 and the written comments received.

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The policies related to the Area of Freedom, Security and Justice have been steadily growing in importance over the last years. These policies are at the heart of the European project to create an area without internal borders where Union citizens and third-country nationals may enter, circulate, live and work, bringing new ideas, capital, knowledge and innovation or filling gaps in the national labour markets, confident that their rights are fully respected and their security assured. The growing importance of home affairs policies has been confirmed by the 2009 Stockholm Programme,¹ and it is also one of the areas which have seen important changes under the Lisbon Treaty.

In the field of Internal Security, key documents such as the Commission's Communication on the Internal Security Strategy² have provided clear guidance on the direction of activities in the years to come. For border management and visa policy, the Communication on Migration³ outlined in more detail the challenges ahead in relation to border security and the development of an area without internal borders. The Communication on the Schengen governance⁴ presented proposals to strengthen the Schengen acquis by means of a governance system capable of responding effectively, and in a timely and coordinated Union-wide way, to exceptional circumstances and challenges which might put the overall functioning of Schengen at stake. The Communication on smart borders – options and the way ahead⁵ outlines how new IT systems such as an Entry/exit system and a Registered Traveller Programme can contribute to a better management of migration flows in the Union.

A key component in the common integrated border management system has been the development of Union solidarity mechanisms, supporting a uniform and high-quality application of the Union standards on border management and the common visa policy. Enhancing the coordination of operational co-operation by the Member States on border control through the Frontex Agency constitutes an important step towards the development of the system. Moreover, with the External Borders Fund, the Union expresses solidarity through financial assistance to those Member States that apply the Schengen provisions on external borders and visa.

The Stockholm Programme explicitly called for the creation of a Fund to support the implementation of the Internal Security Strategy and a coherent and comprehensive approach to law enforcement cooperation, including the management of the Union's external borders.

¹ OJ C 115, 4.5.2010, p.1

² COM (2010) 673 final

³ COM (2011) 248 final

⁴ COM (2011) 561 final

⁵ COM(2011)680 final

Against this background, in its proposal of 29 June 2011 on the next multi-annual financial framework for the period 2014-2020⁶, the Commission suggested to set up an Internal Security Fund, as part of a simplified two-Fund structure for future expenditure in the home affairs area which also includes the creation of an Asylum and Migration Fund. The Internal Security Fund will have a global budget of €4,648 million (in current prices) to support the implementation of the five strategic objectives set by the Internal Security Strategy: disrupting international crime networks; preventing terrorism and addressing radicalisation and recruitment; raising levels of security for citizens and businesses in cyberspace; strengthening security through border management; and increasing Europe's resilience to crises and disasters.

Due to the different Treaty bases for the broad range of strategic objectives to be covered, it is not legally possible to establish the Internal Security Fund as a single financial instrument. It is therefore proposed to establish the Fund as a comprehensive financing framework comprising two sector-specific proposals – of which this is one - complemented by a horizontal instrument laying down common provisions.

The legal architecture is explained in more detail under section 3.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENT

In accordance with the greater emphasis placed on evaluation as a tool to inform policy making, this proposal is informed by evaluation results, stakeholder consultation and impact assessment.

Work on the preparation of the future financial instruments for home affairs started in 2010 and continued into 2011. As part of this preparatory work, an evaluation/impact assessment study was launched in December 2010 with the aid of an external contractor. This study was completed in July 2011 and brought together available evaluation results for the existing financial instruments and informed the problems, objectives and policy options, including their likely impact, examined in the impact assessment. Building upon this study, the Commission prepared an impact assessment report on which the Impact Assessment Board delivered its opinion on 9 September 2011.

In accordance with the greater emphasis placed on evaluation as a tool to inform policy making, this legislative proposal took also full account of the mid-term evaluation of the External Borders Fund. In its report of [... November 2011], the Commission assessed the quantitative and qualitative aspects of the implementation of the Fund for the period 2007-2009. The report presents an overview of the concrete activities undertaken in Member States under the Fund to improve the management of the Union's external borders and the handling of visas at national level. It highlights in particular measures by Member States in document security, the considerable investments made to reinforce border surveillance capabilities for the Mediterranean and the Atlantic approaches and pilot projects on automated border control and registered travellers' programmes.

⁶ COM(2011) 500 final

The results of a dedicated on-line public consultation on the future of home affairs funding⁷, which ran from 5 January to 20 March 2011 and was open to stakeholders from within the Union and from third countries, have all been taken into consideration in the preparation of this proposal. A total of 115 responses were received from individuals and on behalf of organisations, including 8 position papers. Respondents from all Member States contributed to the consultation as well as respondents in some third countries.

In April 2011 the conference "The future of EU funding for Home Affairs: A fresh look" brought together key stakeholders (Member States, international organisations, civil society organisations etc) and gave them the opportunity to share their views on the future of EU funding for home affairs. The conference was also an occasion to validate the outcome of the stock taking and the public consultation.

The future of EU funding for home affairs was raised and discussed with institutional stakeholders on numerous occasions, including at an informal lunch discussion during the JHA Council on 21 January 2011, an informal breakfast with the political coordinators of the European Parliament on 26 January 2011, at the hearing of Commissioner Malmström before the Parliament's SURE Committee on 10 March 2011 and during an exchange of views between the Director-General of DG Home Affairs and the Parliament's LIBE Committee on 17 March 2011.

Specific expert advice on the future financial instruments in the area of Internal Security was provided through discussions that took place during the EOS Conference on Industry and Security on 9 February 2011 and at the Immigration and Asylum Committee of 22 February 2011. Moreover, technical aspects linked to the implementation of the future financial instrument in the area of Internal Security were also discussed on the basis of a written consultation in April 2011 with Member States' experts within the framework of the common Committee for the General Programme on Solidarity and Management of Migration Flows ("SOLID Committee").

These consultations, conferences and expert discussions confirmed that there is an overall consensus among key stakeholders on the need to broaden the scope of action for Union funding in the field of internal security, including as regards its external dimension, and a need to work towards more simplification in the delivery mechanisms and greater flexibility, notably to respond to emergencies. In order to add value, Union spending should reflect better Union level priorities and strategic commitments and should support the implementation of the Union home affairs *acquis*. In the area of internal security, stakeholders considered that the broad thematic priorities have already been fixed by the 2009 Stockholm Programme and the 2010 Internal Security Strategy. A future funding mechanism should therefore be defined comprehensively, comprising law enforcement, border guards and customs communities. The need to make greater use of relevant Union agencies, such as Europol and Frontex was also considered important. There was broad support to reduce the number of financial instruments to a two-Fund structure on the condition that this leads to simplification. Stakeholders also agreed on the need for a flexible emergency response mechanism. Shared management with a move to multi-annual programming was generally seen as the appropriate management mode for home affairs spending. Non-governmental organisations, however, were of the view that direct management should also be continued.

⁷ The consultation documents and report on the results of the consultation are available on the DG Home Affairs website: http://ec.europa.eu/home-affairs/news/consulting_public/consulting_0020_en.htm

3. LEGAL ELEMENTS OF THE PROPOSAL

The right to act derives from Article 3(2) of the Treaty on European Union which states that "the Union shall offer its citizens an area of freedom, security and justice without internal frontiers, in which the free movement of persons is ensured in conjunction with appropriate measures with respect to external border controls, asylum, immigration and the prevention and combating of crime".

Union action is justified on the grounds of the objectives laid out in Article 67 of the Treaty on the Functioning of the Union (TFEU, hereafter the Treaty), setting out the means to constitute an area of freedom, security and justice. Attention is also drawn to Article 80 of the Treaty which underlines that these policies of the Union and their implementation shall be governed by the principle of solidarity and fair sharing of responsibility, including its financial implications, between the Member States.

The creation of the Internal Security Fund requires the adoption of two legislative instruments which jointly constitute the Fund. This overall structure was chosen in light of the Treaty obligations. Due to different voting rules in the Council pursuant to Protocols 19 (on the Schengen acquis) and 21 (the position of the United Kingdom and Ireland in respect of the area of Freedom, Security and Justice) and 22 (the position of Denmark, including in relation to Title V, part three of the Treaty) it is not legally possible to draw up one single comprehensive legislative proposal for an Internal Security Fund, despite the coherence of the policy objectives to be addressed.

The Internal Security Fund is therefore created as a comprehensive financial framework which is composed of two separate acts, setting up the different components of the Fund and laying down the objectives, the eligible actions and the envelopes of each component:

- A Regulation setting up, as part of the Fund, the component for police co-operation, preventing and combating crime, and crisis management;
- A Regulation setting up, as part of the Fund, the border management and common visa policy component;

Within the comprehensive financing framework of the Internal Security Fund, this Regulation defines accordingly the financial support for border management and the common visa policy.

The legal base for this Regulation is Article 77 of the Treaty.

Overall, this is an area where there is a clear added value in Union interventions compared to Member States acting alone. The Union is in a better position than Member States to provide a framework for expressing Union solidarity in border control, visa policy and the management of migration flows, and to provide a platform for the development of common IT systems underpinning these policies. The financial support provided under this Regulation therefore contributes in particular to strengthening national and European capabilities in those areas. For that purpose, the Regulation *inter alia* aims to support more systematically the services provided by individual Member States in securing the border free area ("operating support mechanism"), to enhance the interagency cooperation between border and other law enforcement authorities and to increase the available specialised equipment in Member States to be put at the disposal of the Frontex Agency for joint operations in the interest of safeguarding the border free area. However, it is fully acknowledged that interventions should take place at an appropriate level and the role of the Union should not go beyond what is necessary. As the Budget Review has highlighted, the "EU budget should be used to finance EU public goods, actions that Member States and regions cannot finance themselves, or where it can secure better results".⁸

4. BUDGETARY IMPLICATION

The Commission's proposal for the next multi-annual framework includes a proposal of EUR 4,648 million (in current prices) for the Internal Security Fund for the period 2014-2020. Within this global envelope, the resources available for the implementation of this specific Regulation amount to EUR 3,520 million. Indicatively, about 61% of this amount (EUR 2,150 million) should be used for national programmes of Member States and the support to the Special Transit Scheme implemented by Lithuania, 31% (EUR 1,100 million) should be dedicated to the development of the smart border package and the remainder should then be available to fund Union actions, emergency actions and technical assistance, whilst taking into account also the contributions expected from the Schengen associated countries, which would be added to the total envelope.

EUR million

Internal Security Fund <i>including new IT systems</i>	4,648
- Police cooperation instrument	1,128
- Border instrument	3,520

Moreover, in accordance with the June 2011 Communication, outside the scope of the Internal Security Fund, a separate envelope of EUR 822 million (current prices) is set aside for the management of existing large scale-IT systems (Schengen Information System II, Visa Information System and Eurodac). The management of these systems will gradually be transferred from the Commission to the future Agency for the Operational Management of Large-Scale IT-Systems in the Area of Freedom Security and Justice (IT Agency) after it begins operations in late 2012.

⁸ "The EU Budget Review", COM (2010) 700, 19.10.2010.

5. MAIN ELEMENTS OF THE PROPOSAL

5.1. Focusing on strategic priorities

By establishing an instrument for the financial support of the management of external borders and the common visa policy for the period 2014-2020, the Union will be able to

- support and reinforce the national capabilities in the area of border control and visa policy and thus expressing financial solidarity with the tasks entrusted to individual Member States at external borders and in consulates in the interest of the border-free area as a public service provided to the Union (national programmes, including "operating support");
- finance the development of the smart border package, i.e. the setting up of an EU Entry Exit System (EES) and an EU Registered Traveller Programme (RTP);
- finance the introduction and operation of the European Border Surveillance System, EUROSUR, notably through the purchase of equipment, infrastructure and systems in Member States;
- reinforce the Schengen governance and the evaluation and monitoring mechanism to verify the application of the Schengen acquis by (a) funding the operation of that mechanism under direct management; (b) introducing conditionalities based on compliance with the Schengen acquis for the disbursement of operating support to Member States and (c) requiring Member States to (re)allocate resources received for programmes under this instrument with priority to remedy weaknesses if these have been identified under the mechanism;
- boost the operational potential of the Frontex Agency by inviting Member States to earmark additional resources under their programmes for specialised equipment which can be put at the disposal of the Agency for its joint operations;
- support the development and implementation of the relevant Union policies in the EU, in and with third countries under "Union actions", thus improving the overall management of migration flows to the Union (projects managed either directly, such as studies or pilot projects to reinforce co-operation with third countries, or indirectly, in accordance with the Financial Regulation⁹);
- have readily available adequate resources to provide emergency assistance in case of situations of urgent or exceptional migratory pressure;

⁹ Commission proposal – Regulation on the financial rules applicable to the annual budget of the Union (COM(2010)815 final of 22.12.2010). This proposal constitutes a formal withdrawal by the Commission of the previous legislative proposals COM(2010)71 final and COM(2010)260 final.

- continue support for the functioning of the Specific Transit Scheme for Lithuania, in accordance with the obligations of the EU¹⁰, providing support to compensate for foregone fees from transit visas and additional costs incurred by Lithuania in implementing the Facilitated Transit Document (FTD) and Facilitated Rail Transit Document (FRTD) scheme, such as replacing and upgrading equipment, IT systems, training and operational costs.

The instrument will allow for a comprehensive support of the four-tiers access control model underlining the concept of integrated border management (measures in third countries, co-operation with neighbouring countries, border control and measures within the area of freedom of movement).

5.2. Resources for IT systems and the smart borders package

Under the national programmes, Member States could use their allocations to support the management and where appropriate, upgrading of national components of the existing large scale IT systems.

Moreover, the development and maintenance of future IT systems ("smart borders package") in this area will be covered by this instrument. As indicated in the Communication on smart borders, the Commission intends to present proposals for a Union Entry Exit System (EES) and a Union Registered Traveller Programme (RTP) in the first half of 2012. Consequently, under this instrument it is envisaged to establish a specific spending programme only for the development of an EES and an RTP.

The cost would include not just the central (Union-level) components but also the national components (Member States) of these IT systems, within the resources available.

The cost of developing a central and national systems for EES and RTP has been estimated between about 1 and 1.3 billion EUR, depending on the options. Significant cost savings can be achieved if the EES preferred option is built together (i.e. on the same technical platform) with the RTP preferred option¹¹. On the basis of these assumptions and given that development would only start as from 2015, it is proposed to set aside 1.1 billion EUR for these two systems under this proposal, without prejudice to the future proposals from the Commission on the smart borders package and the subsequent decision of the European Parliament and the Council.

The Commission envisages to give the implementation tasks of this programme to the Agency for the Operational Management of Large-Scale IT-Systems in the area of Freedom, Security and Justice established by Regulation (EU) N° 1077/2011 of the European Parliament and the Council.¹² This Regulation would in this case be amended at the appropriate time to include the tasks specifically in the mission of the Agency and the relevant amounts of the Agency's subsidy would be met from the operational appropriations of the programme.

¹⁰ In line with Protocol 5 to the Accession Treaty of Lithuania, for the implementation of the Regulations on the Facilitated Transit Document (FTD) and the Facilitated Rail Transit Document (FRTD) (OJ L 99, 17.4.2003, p.8; OJ L 99, 17.4.2003, p.15), the EU bears the additional cost of the Scheme and compensates Lithuania for not imposing fees when issuing the documents concerned for Russian citizens transiting through the EU to and from the Kaliningrad region.

¹¹ Annex on estimated costs of the systems - COM(2011)680 final

¹² OJ L 286, 1.11.2011, p.1

5.3. Resources for national programmes

The current practice under the Funds of the General Programme Solidarity and Management of Migration Flows of fixing at the start of the period the criteria for the allocations which Member States will receive for the whole 7-year period ensures continuity and a certain degree of predictability. However, it is essentially a static approach which does not incentivise the Member States to implement actions which respond to Union priorities and does not allow the EU to respond to changing situations and priorities through significant and concentrated reallocations of resources. The mechanism chosen for the distribution and implementation of resources under the future Funds should therefore reconcile the need on the one hand for continuity and stability, as a pre-condition for sound multiannual programming, and on the other hand the need for more flexibility and adaptation to change.

In view of the above, the allocation of funding under shared management is based on a combination of:

- A basic amount allocated to the Member States at the start of the next Multi-annual Financial Framework (MFF);
- A flexible amount to be added to the basic amount, allocated in two phases.

The basic amount is allocated to the Member States at the start of the next MFF and calculated on the basis of objective criteria and needs. It is 60% of the overall envelope for national programmes and the allocations are laid down per Member State in Annex I of this Regulation. They are based on the 2010-2012 calculations under the External Borders Fund, whilst incorporating a minimum amount for each Member State. This will ensure some continuity with the current MFF and give the Member States financial stability to plan their national multiannual programmes.

- The flexible amount will be added to the basic amount depending on the willingness of each Member State to finance under its national programme actions that respond to specific Union priorities. These specific actions are defined in Annex II and can be amended. In principle, it would be allocated in two phases: at the start of the MFF, as part of the policy dialogue and negotiations on the national programmes of the relevant Member States, and during a mid-term review in 2017.

This mid-term review would be the occasion to re-examine the situation in Member States and to allocate new resources for the remaining years of the MFF (2018-2020). For this Regulation, the mid term review will be based on a combination of a forward looking risk assessment and Union priorities, as redefined by the Union. Because the basic amounts for the Member States were determined on the basis of historic data at the start of the programming period, an update will be appropriate. These risk/needs assessments could be produced with the help of the Frontex Agency. Member States who, on the basis of these assessments, have more needs or face increased risks will receive an additional amount, thereby giving tangible expression to the principle of solidarity and responsibility-sharing.

5.4. Actions in and in relation to third countries

In relation to the external dimension in this area, there would be targeted support to enhance cooperation with third countries and to reinforce certain key aspects of their border surveillance and management capabilities in areas of interest to the Union's migration policy and Union's internal security objectives. For example, in the framework of EUROSUR, funding could be made available to link third countries' systems and infrastructures to the Union's in order to allow for the regular exchange of information. Such actions shall not be directly development oriented and shall complement, as appropriate, the financial assistance provided through the Union's external aid instruments, which remain the main source of funding to help third-countries build their relevant capacities. In implementing such support, full coherence will be sought with the principles and general objectives of the Union external action and foreign policy related to the country or region in question. Complementarity will be ensured through enhanced coordination with the EEAS and the relevant Commission services.

Such actions will be managed directly by the Commission or indirectly, by entities or persons other than Member States in accordance with the Financial Regulation.

5.5. Union agencies

To use more effectively the competences and expertise of relevant Union agencies in the home affairs field, the Commission also envisages to make use of the possibility offered by the Financial Regulation to entrust, with the resources available under this Regulation, the implementation of specific tasks to such agencies, in the framework of their missions and in complementarity to their work programmes. For the tasks covered under this Instrument this concerns in particular:

- the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex Agency), for activities in and outside the Union requiring operational expertise on border control;
- the European Asylum Support Office (EASO), for activities such as training on asylum addressed to border guards;
- the European Police Office (Europol) and the European Police College (CEPOL) in the light of interagency co-operation of law enforcement authorities with border guards;
- the Agency for the Operational Management of Large-Scale IT-Systems in the Area of Freedom Security and Justice (IT Agency) insofar as the development of new IT systems is concerned.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visa

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 77(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee¹³,

Having regard to the opinion of the Committee of the Regions¹⁴,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Union's objective of ensuring a high level of security within an area of Freedom, Security and Justice (Article 67(3) of the Treaty on the Functioning of the Union) should be achieved, inter alia, through¹⁵ common measures on the crossing of internal borders by persons and border control at external borders and the common visa policy as part of a multi-layer system aimed at facilitating legitimate travel and tackling illegal immigration.
- (2) The EU Internal Security Strategy, adopted by the Council in February 2010¹⁶, constitutes a shared agenda for tackling these common security challenges. The Commission's Communication of November 2010 "The EU Internal Security Strategy in Action"¹⁷ translates the strategy's principles and guidelines into concrete actions by identifying five strategic objectives: to disrupt international crime networks, to prevent terrorism and address radicalisation and recruitment, to raise levels of security for citizens and businesses in cyberspace, to strengthen security through border management and to increase Europe's resilience to crises and disasters.

¹³ OJ C , , p. .

¹⁴ OJ C , , p. .

¹⁵ [DE suggestion to add "national and"](#)

¹⁶ Council doc. 7120/10.

¹⁷ COM (2010) 673 final.

- (3) Solidarity among Member States, clarity about the division of tasks, respect for fundamental rights and the rule of law as well as a strong focus on the global perspective and the inextricable link with external security should be key principles guiding the implementation of the Internal Security Strategy.
- (4) To promote the implementation of the Internal Security Strategy and to ensure that it becomes an operational reality, Member States should be provided with adequate Union financial support by setting up an Internal Security Fund.
- (5) Due to the legal particularities applicable to Title V of the Treaty, it is not legally possible to establish the Internal Security Fund as a single financial instrument.
- (6) The Fund should therefore be established as a comprehensive framework for EU financial support in the field of internal security comprising the instrument established by this Regulation as well as the instrument established by Regulation .../2012/EU establishing as part of the Internal Security Fund, the instrument for financial support for police co-operation, preventing and combating crime, and crisis management . This comprehensive framework should be complemented by Regulation .../2012/EU laying down general provisions on the Asylum and Migration Fund and on the instrument for financial support for police co-operation, preventing and combating crime, and crisis management¹⁸ to which this Regulation should refer as regards rules on programming, financial management, management and control, clearance of accounts, closure of programmes and reporting and evaluation.
- (7) Solidarity and responsibility sharing between Member States and the Union¹⁹ in the management of the external borders is one of the five components of the common policy for the management of external borders.
- (8) The Internal Security Fund should express solidarity through financial assistance to those Member States that fully apply the Schengen provisions on external borders as well as to those who are preparing for full participation in Schengen.
- (9) Participation by a Member State should not coincide with its participation in a temporary financial instrument of the Union which supports the beneficiary Member States to finance inter alia actions at new external borders of the Union for the implementation of the Schengen acquis on borders and visa and external border control.
- (10) The part of the Fund relating to external borders and visa (hereafter "the Instrument") should build on the capacity building process developed with the assistance of the External Borders Fund established by Decision No 574/2007 of the European Parliament and the Council²⁰ and extend it to take into account new developments.

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¹⁸ [OJ L ... to be completed]

¹⁹ DE suggestion to delete "in the management of the external borders"

²⁰ OJ L144, 6.6.2007, p.22

- (11) When executing tasks at external borders and consulates in accordance with the Schengen acquis on borders and visas, Member States carry out activities in the interest of and on behalf of all other Member States in the Schengen area and thus performing a public service for the Union. To express solidarity, the Instrument should contribute to supporting operating costs related to border control and visa policy and enable Member States to²¹ systematically maintain capabilities crucial for that service for all. Such support consists of full reimbursement of a choice of costs related to the objectives under this instrument and will form an integral part of the national programmes.
- (12) The Instrument should complement and reinforce the activities undertaken to develop operational cooperation under the aegis of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union as established by Regulation (EC) No 2007/2004 (hereinafter referred to as "the Frontex Agency")²², including the new activities resulting from the amendments introduced by Regulation [...] ²³, and thereby further reinforce the solidarity between those Member States controlling external borders in the interest and on behalf of the Schengen area as a whole.
- (13) This instrument should be implemented in full respect of the rights and principles enshrined in the Charter of Fundamental Rights of the European Union.
- (14) To ensure a uniform and high-quality external border control and to facilitate legitimate travel across external borders within the framework of the EU internal security strategy, the Instrument should contribute to the development of a European common integrated border management system, which includes all the measures involving policy, legislation, systematic co-operation, the distribution of the burden, personnel, equipment and technology taken at different levels by the competent authorities of the Member States, acting in co-operation with the Frontex Agency, with third-countries and, where necessary, with other actors, utilising, inter alia, the four-tier border security model and integrated risk analysis of the European Union.
- (15) In accordance with Protocol No 5 to the 2003 Act of Accession²⁴ on the transit of persons by land between the region of Kaliningrad and other parts of the Russian Federation, the Instrument should bear any additional cost incurred in implementing the specific provisions of the Union acquis covering such transit, i.e. Council Regulation (EC) No 693/2003 of 14 April 2003 establishing a specific Facilitated Transit Document (FTD), a Facilitated Rail Transit Document (FRTD) and amending the Common Consular Instructions and the Common Manual²⁵ and Council Regulation (EC) No 694/2003 on uniform formats for Facilitated Transit Documents (FTD) and Facilitated Rail Transit Documents (FRTD) provided for in Regulation (EC) No 693/2003²⁶. The need for continued financial support for foregone fees, however, should be dependent upon the visa regime of the Union in force with the Russian Federation.

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²¹ [DE suggestion to delete "systematically"](#)

²² OJ L 349, 25.11.2004, p.1

²³ OJ to be completed

²⁴ OJ L 236, 23.9.2003, p. 946.

²⁵ OJ L 99, 17.4.2003, p. 8.

²⁶ OJ L 99, 17.4.2003, p. 15.

- (16) This instrument should support measures to be implemented in accordance with the four-tier access control model which comprises measures in third countries, cooperation with neighbouring countries, border control measures and control measures within the area of free movement relating to the management of external borders in order to prevent illegal immigration and cross-border crime inside the territory of the Schengen States.
- (17) It should include support for national measures and cooperation between Member States in the area of visa policy and other pre-frontier activities that take place prior to external border controls. The efficient management of activities organised by the services of the Member States in third countries is in the interest of the common visa policy as part of a multi-layered system aimed at facilitating legitimate travel and tackling illegal immigration into the European Union, and constitutes an integral part of the common integrated border management system. Deleted: irregular
- (18) Moreover, it should support measures in the territory of the Schengen countries as part of the development of a common integrated border management system which strengthens the overall functioning of the Schengen area.
- (19) The Instrument should also support the development by the European Union of IT systems which would equip Member States with the tools to manage the movement of third-country nationals across borders more efficiently and to ensure a better identification and verification of travellers ("smart borders") through the development of an EU Entry Exit System (EES) and an EU Registered Traveller Programme (RTP)²⁷. To this end, a programme should be established the aim of which is to cover cost for the development of both the central and national components of such systems, ensuring technical consistency, cost savings and a smooth implementation in the Member States.; Deleted: .
- (20) To address immediately unforeseen migratory pressure and threats to border security it should be possible to provide emergency assistance in accordance with the framework set out in Regulation ... 2012/EU laying down general provisions on the Asylum and Migration Fund and on the instrument for financial support for police co-operation, preventing and combating crime, and crisis management.
- (21) Moreover, in the interest of enhanced solidarity in the Schengen area as a whole, where weaknesses or possible threats are identified, notably following a Schengen evaluation, the Member State concerned should follow the matter up adequately by using resources under its programmes by priority, where applicable, complementing emergency assistance measures.
- (22) To reinforce solidarity and responsibility sharing, Member States should be encouraged to use a part of the resources available under the programmes for specific priorities defined by the Union, such as the purchase of technical equipment needed by the Frontex Agency and the development of consular co-operation for the Union.

²⁷ Reference of the COM proposal on smart borders will be added when available

(23) To safeguard the application of the Schengen acquis throughout the Schengen area, the implementation of the Regulation on the establishment of an evaluation and monitoring mechanism to verify the application of the Schengen acquis²⁸ should also be supported under this Regulation, as an essential tool to facilitate the implementation of Union policies in the area of Freedom, justice and security.²⁹

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(24) In light of the experiences gained with the External Borders Fund and the development of the SIS and VIS, it is considered appropriate to allow for flexibility regarding possible transfers of resources between the different means of implementation of the objectives pursued under the Instrument, without prejudice to the principle of ensuring from the start a critical mass and financial stability for the programmes and the operating support for Member States.

(25) In the same vein, the scope of the actions and the ceiling for resources which remain available to the Union ("Union actions") should be increased to enhance the capacity of the Union to carry out in a given budget year multiple activities on the management of external borders and the common visa policy in the interest of the Union as a whole, when and insofar as the needs arise. Such Union actions include studies and pilot projects to further the policy and its application, measures or arrangements in third countries addressing migratory pressures from those countries in the interest of an optimal management of migration flows into the Union and an efficient organisation of the related tasks at external borders and consulates.³⁰

(26) Measures in and in relation to third countries supported through this Instrument should be taken in synergy and coherence with other actions outside the EU supported through Union external assistance instruments, both geographic and thematic. In particular, in implementing such actions full coherence should be sought with the principles and general objectives of the Union external action and foreign policy related to the country or region in question. They should not be intended to support actions directly development-oriented and they should complement, when appropriate, the financial assistance provided through external aid instruments. Coherence will also be sought with the Union humanitarian policy, in particular as regards the implementation of emergency measures.

(27) Funding from the Union budget should concentrate on activities where the Union intervention can bring additional value compared to action of Member States alone. As the European Union is in a better position than Member States to provide a framework for expressing Union solidarity in border control, visa policy and the management of migration flows, and to provide a platform for the development of common IT systems underpinning these policies, financial support provided under this Regulation contributes in particular to strengthening national and European capabilities in those areas.

²⁸ COM (2011) 559 final

²⁹ CH suggests different wording: "...as an important flanking measure in the creation of an area of free movement of persons"

³⁰ CH: Use of the word "Union" do not completely reflect the Schengen associates countries

- (28) In order to supplement or amend provisions in this instrument regarding the definition of specific actions under the national programmes the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be [delegated] to the Commission. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.
- (29) The Commission, when preparing and drawing-up [delegated acts], should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.
- (30) In order to ensure a uniform, efficient and timely application of the provisions on operating support laid down in this Regulation and to establish the framework for the programme on the new IT systems, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2001 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers³¹.
- (31) Since the objective of this Regulation, namely to provide for solidarity and responsibility sharing between member States and the Union in the management of external borders and visa policy, cannot be sufficiently achieved by the Member States and can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (32) Decision No 574/2007/EC of the European Parliament and of the Council of 23 May 2007 establishing the External Borders Fund for the period 2007 to 2013³² should be repealed.
- (33) As regards Iceland and Norway, this Regulation constitutes a development of the Schengen acquis which falls within the areas referred to in Article 1, Points A and B of Council Decision 1999/437/EC of 17 May 1999 on certain arrangements for the application of the Agreement concluded by the Council of the European Union and the Republic of Iceland and the Kingdom of Norway concerning the association of those two States with the implementation, application and development of the Schengen acquis³³.

³¹ OJ L 55, 28.2.2011, p. 13.

³² OJ L 144, 6.6.2007, p. 22

³³ OJ L 176 of 10.7.1999, p. 31.

- (34) As regards Switzerland, this Regulation constitutes a development of provisions of the Schengen acquis within the meaning of the Agreement between the European Union, the European Community and the Swiss Confederation on the latter's association with the implementation, application and development of the Schengen acquis which fall within the area referred to in Article 1, Points A and B of Council Decision 1999/437/EC read in conjunction with Article 3 of Council Decision 2008/146/EC on the conclusion, on behalf of the European Community, of the Agreement³⁴.
- (35) As regards Liechtenstein, this Regulation constitutes a development of the provisions of the Schengen acquis within the meaning of the Protocol between the European Union, the European Community, the Swiss Confederation and the Principality of Liechtenstein on the accession of the Principality of Liechtenstein to the Agreement between the European Union, the European Community and the Swiss Confederation on the Swiss Confederation's association with the implementation, application and development of the Schengen acquis which fall within the area referred to in Article 1, Points A and B of Council Decision 1999/437/EC read in conjunction with Article 3 of Council Decision 2011/350/EU on the conclusion, on behalf of the Union, of the Protocol³⁵.
- (36) Under the Protocol on the position of Denmark, annexed to the treaty on European Union and the Treaty on the Functioning of the European Union, Denmark does not take part in the adoption by the Council of the measures pursuant to Title V of Part Three of the Treaty on the Functioning of the European Union, with the exception of "measures determining the third countries whose nationals must be in possession of a visa when crossing the external borders of the Member States, or measures relating to a uniform format for visas". This proposal builds on the Schengen acquis, and under Article 4 of the Protocol on the position of Denmark annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, Denmark shall decide within a period of six months after the Council has decided on a proposal or initiative to build upon the Schengen acquis under the Provisions of Title V of Part Three of the Treaty on the Functioning of the European Union whether it will implement this Regulation in its national law.
- (37) This Regulation constitutes a development of the provisions of the Schengen acquis in which the United Kingdom does not take part, in accordance with Council Decision 2000/365/EC of 29 May 2000 concerning the request of the United Kingdom of Great Britain and Northern Ireland to take part in some of the provisions of the Schengen acquis and the subsequent Council Decision 2004/926/EC of 22 December 2004 on the putting into effects of parts of the Schengen acquis by the United Kingdom of Great Britain and Northern Ireland. The United Kingdom is therefore not taking part in its adoption and is not bound by it or subject to its application.
- (38) This Regulation constitutes a development of the provisions of the Schengen acquis in which Ireland does not take part, in accordance with Council Decision 2001/192/EC of 28 February 2002 concerning the request of Ireland to take part in some of the provisions of the Schengen acquis. Ireland is therefore not taking part in its adoption and is not bound by it or subject to its application. [1](#)

³⁴ OJ L 53 of 27.2.2008, p. 1.

³⁵ OJ L 160 of 18.6.2011, p. 19

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Purpose and scope

1. This Regulation establishes the instrument for financial support for the management of external borders and the common visa policy (hereinafter referred to as the "Instrument") as part of the Internal Security Fund (hereinafter referred to as "the Fund").

Jointly with Regulation .../2012/EU establishing as part of the Internal Security Fund, the instrument for financial support for police co-operation, preventing and combating crime, and crisis management, this Regulation establishes for the period from 1 January 2014 to 31 December 2020 the Internal Security Fund.
2. This Regulation lays down
 - (a) the objectives of financial support and the eligible actions;
 - (b) the general framework for the implementation of eligible actions;
 - (c) the resources made available under this instrument from 1 January 2014 to 31 December 2020 and their distribution;
 - (d) the scope and purpose of the different specific means through which the expenditure for the management of the external borders, and the common visa policy is financed.
3. This Regulation provides for the application of the rules set out in Regulation (EU) No ..2012 [Horizontal Regulation] .

Article 2

Definitions

For the purposes of this Regulation the following definitions shall apply:

- (a) 'external borders' means the Member States' land borders, including river and lake borders, sea borders and their airports, river ports, sea ports and lake ports to which the provisions of Union law on the crossing of external borders apply, whether these borders are temporary or not;

- (b) 'temporary external borders' means
- the common border between a Member State fully implementing the Schengen acquis and a Member State bound to apply the Schengen acquis in full, in conformity with its Act of Accession, but for which the relevant Council Decision authorising it to fully apply that acquis has not entered into force;
 - the common border between two Member States bound to apply the Schengen acquis in full, in conformity with their respective Acts of Accession, but for which the relevant Council Decision authorising them to fully apply that acquis has not yet entered into force;

(c) 'border crossing point' means any crossing point authorised by the competent authorities for the crossing of external borders as notified in accordance with Article 34(2) of Regulation (EC) No 562/2006;

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(d) 'Schengen evaluation and monitoring mechanism' means the verification of the correct application of the Schengen acquis as laid down in Regulation No ... /2012/EU³⁶[X];

(e) 'emergency situation' means a situation resulting from an urgent and exceptional pressure where a relatively large or disproportionate number of third-country nationals cross or are expected to cross the external border of one or more Member States or any other duly substantiated emergency situation requiring urgent action at external borders.

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(f) "external borders section" means the whole or a part of the external land or sea border of a Member State as defined by national legislation or as determined by the national coordination centre or any other responsible national authority for the purpose of the implementation of Regulation .../ EU establishing the European Border Surveillance System.

Article 3

Objectives

1. The general objective of the Instrument shall be to contribute to ensuring a high level of security in the European Union.
2. Within the general objective set out in paragraph 1, the Instrument shall contribute - in line with the priorities identified in relevant EU Strategies, programmes, threat and risk assessments - to the following specific objectives:

(a) supporting a common visa policy to facilitate legitimate travel, ensure equal treatment of third country nationals and tackle illegal immigration

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The achievement of this objective shall be measured against indicators [such as, in particular, the number of consular posts equipped, secured and/or enhanced to ensure the efficient processing of visa applications and provide quality of service to visa applicants]

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³⁶ COM(2011)559 final

(b) supporting borders management, to ensure, on one hand, a high level of protection of external borders and, on the other hand, the smooth crossing of the external borders in conformity with the Schengen acquis

The achievement of this objective shall be measured against indicators [such as, *in particular*, the development of equipment for border control and the apprehensions of irregular third-country nationals at the external border in correspondence with the risk of the relevant section of the external border.]

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3. To achieve these objectives, the instrument shall contribute to the following operational objectives:

(a) promoting the development and implementation of policies *with a view to* ensuring the absence of any controls on persons, whatever their nationality, when crossing the internal borders, *and to* carrying out checks on persons, *and* monitoring efficiently the crossing of external borders;

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(b) gradually establishing an integrated management system for external borders, including *by means of* the reinforcement of interagency co-operation between *border guards, customs,* migration and law enforcement authorities of Member States at the external borders, *measures within the territory relating to the management of external borders,* and *necessary flanking measures on* document security and identity management *and any measures also resulting in the prevention and fight against cross-border crime at external borders relating to the movement of persons, including trafficking of human beings or human smuggling;*

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(c) promoting the development and implementation of the common policy on visas and other short-stay residence permits, including consular co-operation;

(d) setting up and running IT systems, their communication infrastructure and equipment supporting the management of migration flows across the external borders of the Union, *including border surveillance;*

(e) ensuring the efficient and uniform application of the Union's acquis on borders and visa, including the functioning of the Schengen evaluation and monitoring mechanism;

(f) reinforcing *actions by the Member States and* the co-operation between Member States operating in third countries as regards the flows of third-country nationals into the territory of Member States, *including prevention of illegal immigration,* as well as the co-operation with third countries in *these* regards.

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4. The Instrument shall also contribute to the financing of technical assistance at the initiative of the Member States and the Commission.

Article 4

Eligible actions

1. Within the objectives defined in Article 3, and in the light of the agreed conclusions of the policy dialogue as provided for in Article 13 of Regulation (EU) No .../2012 [Horizontal Regulation], the Instrument shall support, among others, the following actions in or by Member States:

- (b) (a) infrastructures, buildings and systems required at border crossing points and for surveillance between border crossing points to prevent unauthorised border crossings, to counter cross-border criminality and to take measures against persons who have crossed the external border illegally as well as to guarantee smooth travel flows; operating equipment, means of transport, and systems required for effective border control and the detection of persons and related training;
- (c) IT systems for efficient management of migration flows across borders, including investments in further developments of VIS and SIS, and related training;
- (d) infrastructures, buildings, communication and IT systems and operating equipment required for the processing of visa applications and consular co-operation and related training;
- (e) actions related to the secondment of Immigration Liaisons Officers and document advisers in third countries and the exchange and secondment of border guards between Member States and third countries;
- (f) studies, training, pilot projects and other actions gradually establishing an integrated management system for external borders as referred to in Article 3.3, including such aiming to foster interagency cooperation either within Member States or between Member States;
- (g) studies, pilot projects and actions aiming to implement the recommendations, operational standards and best practices resulting from the operational cooperation between Member States and Union Agencies.

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2. Within the objectives defined in Article 3, this instrument shall support actions in relation to and in third countries and in particular the following:

- (a) information systems, tools or equipment for sharing information between Member States and third countries;
- (b) actions relating to operational co-operation between Member States and third countries, including joint operations;

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- (c) studies, events, training, equipment and pilot projects to provide ad hoc technical and operational expertise to third countries;
 - (d) studies, events, training, equipment and pilot projects implementing specific recommendations, operational standards and best practices, resulting from the operational cooperation between Member States and Union agencies in third countries.
3. Actions referred to in point (a) of paragraph 1 are not eligible at temporary external borders.
 4. Actions related to the temporary reintroduction of border control at internal borders as referred to in the Schengen Borders Code are not eligible. Deleted: and exceptional
 5. Actions of which the exclusive aim or effect is the control of goods are not eligible.

CHAPTER II

FINANCIAL AND IMPLEMENTATION FRAMEWORK

Article 5

Global resources and implementation

1. The global resources for the implementation of this Regulation shall be ~~3,520~~ EUR million.
2. The annual appropriations shall be authorised by the budgetary authority within the limits of the Financial Framework.
3. The global resources shall be implemented through the following means:
 - (a) national programmes, in accordance with Articles 9 and 12;
 - (b) operating support, within the framework of the national programmes and under the conditions laid down in Article 10;
 - (c) the functioning of the Special Transit Scheme, in accordance with Article 11;
 - (d) Union actions, in accordance with Article 13;
 - (e) emergency assistance, in accordance with Article 14;
 - (f) The implementation of a programme for setting up new IT systems supporting the management of migration flows across the external borders of the Union under the conditions laid down in Article 15;

(g) technical assistance in accordance with Article 16.

4. The budget allocated under the Instrument shall be implemented under shared management in accordance with Article 55(1)(b) of Regulation (EU) N° .../2012 [New Financial Regulation], with the exception of Union actions referred to in Article 13, the emergency assistance referred to in Article 14 and the technical assistance referred to in Article 16(1).

The method(s) of implementation of the budget for the programme on the development of new IT systems shall be set out in the [implementing act] referred to in Article 15(2).

5. The global resources shall be used indicatively as follows:
- (a) EUR [2,000] million for the national programmes of Member States;
 - (b) EUR [1,100] million for setting up the new IT systems supporting the management of migration flows across the external borders of the Union referred to in Article 15(2);
 - (c) EUR [150] million for the Special Transit Scheme;
 - (d) EUR [270] million for Union actions, emergency assistance and technical assistance at the initiative of the Commission.
6. Jointly with the global resources established for Regulation No ... /2012/EU establishing as part of the Internal Security Fund, the instrument for financial support for police co-operation, preventing and combating crime, and crisis management, the global resources available for this Regulation as established in paragraph 1, constitute the financial envelope for the Internal Security Fund and serve as the prime reference for the budgetary authority during the annual budgetary procedure within the meaning of Point 17 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management³⁷.
7. The countries associated with the implementation, application and development of the Schengen acquis shall participate in the instrument in accordance with this Regulation.
8. Arrangements shall be concluded on the financial contributions by these countries to this Instrument and the supplementary rules necessary for such participation, including provisions ensuring the protection of the Union's financial interests and the power of audit of the Court of Auditors.

The financial contributions from these countries shall be added to the global resources available from the Union budget referred to in paragraph 1.

³⁷ COM(2011)403 final

Article 6

Resources for eligible actions in the Member States

1. EUR [2,000] million shall be allocated to the Member States indicatively as follows:
 - (a) EUR [1,200] million, as indicated in Annex I;
 - (b) EUR [450] million, based on the results of the mechanism described in Article 7;
 - (c) in the framework of the mid term review and for the period as of budget year 2018, EUR [350] million, the remainder of the available appropriations under this Article or another amount, as determined pursuant to paragraph 2, based on the results of the risk analysis and the mechanism laid down in Article 8.
2. To address properly the objectives under this Regulation in case of unforeseen or new circumstances and/or to ensure effective implementation of funding available under this Regulation, the Commission shall be empowered to adopt [delegated acts] in accordance with Article 17 to adjust the indicative amount laid down in point c) of paragraph 1.
3. Member States which accede to the Union in the period 2012-2020 shall not benefit from allocations for national programmes under this instrument as long as they benefit from a temporary instrument of the Union which supports the beneficiary Member States to finance actions at new external borders of the Union for the implementation of the Schengen acquis on borders and visa and external border control.

Article 7

Resources for specific actions

1. Member States may, in addition to their allocation calculated in accordance with point (a) of Article 6(1), receive an additional amount, provided that it is earmarked as such in the programme and shall be used to achieve specific actions listed in Annex II.
2. The Commission shall be empowered to adopt [delegated acts] in accordance with Article 17 for the revision of the specific actions listed in Annex II, if deemed appropriate. On the basis of the new specific actions, Member States may receive an additional amount as laid down in paragraph 1, subject to available resources.
3. The additional amounts under this Article shall be allocated to the Member States concerned in the individual financing decision approving or revising their national programme in accordance with the procedure laid down in Article 14 of Regulation (EU) No .../2012 [Horizontal Regulation].

Resources in the framework of the mid term review

1. In order to allocate the amount indicated in point c) of Article 6(1), by 1 June 2017 the Commission shall establish, on the basis of input and in consultation with the Frontex Agency, a report which, in accordance with the Frontex risk analysis, shall set up threat levels at the external borders for the period 2017-2020. Threat levels will be based on the burden in border management and on the threats that affected security at the external borders of the Member States in 2014-2016 and they will take into account, in particular, changes in EU policies, e.g. visa liberalisation, possible future trends on migratory flows and unlawful activities, including at the external borders, considering the likely political, economic and social developments in the third countries concerned, in particular in neighbouring countries.

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The report shall determine the level of threat for each section of the external border by multiplying for the external land and maritime borders the length of the border section and for the airports the number of persons crossing the external border, as well as the number of third-country nationals refused entry at the external land, maritime and airport borders concerned with the weighing attributed to it as follows:

- (a) external land border:
- (i) factor 1 for normal threat
 - (ii) factor 3 for medium threat
 - (iii) factor 5 for high threat;
- (b) external maritime border:
- (i) factor 1 for normal threat
 - (ii) factor 3 for medium threat
 - (iii) factor 5 for high threat.

c) airports:

- i) factor 1 for normal threat
- ii) factor 3 for medium threat
- iii) factor 5 for high threat;

On the basis of the report, the Commission shall determine which Member States will receive an additional amount. Before determining the level of threat at the external borders in the report, the Commission will have an exchange of views with the Member States. Those Member States which have an increased threat level in comparison to the threat level established for the calculation made for the budget year 2013 under Decision 574/2007/EC will receive pro rata additional resources.

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2. For the purpose of the distribution of resources under paragraph 1
- (a) the line between the areas referred to in Article 1 of Council Regulation (EC) No 866/2004 of 29 April 2004 on a regime under Article 2 of Protocol No 10 of the Act of Accession, but not the maritime border north of that line, shall be taken into account even though it does not constitute an external land border for as long as the provisions of Article 1 of Protocol 10 on Cyprus of the 2003 Act of Accession remain applicable;
- (b) external maritime borders shall mean the outer limit of the territorial sea of the Member States as defined according to Articles 4 to 16 of the United Nations Convention on the Law of the Sea. However, in cases where long range operations on a regular basis are required in order to prevent ~~illegal immigration/illegal entry~~, this shall be the outer limit of high threat areas. This shall be determined by taking into account the relevant data on these operations in 2014-2016 as provided by the Member States in question.
3. Moreover, following invitation from the Commission by 1 June 2017, Member States may receive an additional allocation, provided that it is earmarked as such in the programme and shall be used to achieve specific actions to be established in the light of the priorities of the Union at that time.
- To that end, the Commission shall be empowered to adopt ~~[delegated acts]~~ in accordance with Article 17 for the revision of the specific actions listed in Annex II.
4. The additional amounts under this Article shall be allocated to the Member States concerned in individual financing decision approving or revising their national programme in accordance with the procedure laid down in Article 14 of Regulation (EU) No .../2012 [Horizontal Regulation].

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Article 9

National programmes

1. The national programme to be prepared under this Instrument and ~~the one~~ to be prepared under Regulation No .../2012/EU establishing as part of the Internal Security Fund, the instrument for financial support for police co-operation, preventing and combating crime, and crisis management shall be ~~proposed to the Commission as one single national programme for the Fund and in accordance with Article 14 of Regulation (EU) No .../2012~~ [Horizontal Regulation].
2. Under the national programmes, to be examined and approved by the Commission pursuant to Article 14 of Regulation (EU) No .../2012 [Horizontal Regulation], Member States shall, ~~in particular~~, pursue objectives ~~from the following non-exhaustive list~~:

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- (a) developing the European Border Surveillance System (EUROSUR) in accordance with Union legislation and guidelines;
- (b) supporting and expanding the existing capacity at national level in the management of the external borders and of measures within the area of free movement relating to the management of external borders in order to prevent illegal immigration, bearing in mind in particular, new technology, developments and/or standards in relation to the management of migration flows;
- (c) supporting the further development of the management of migration flows by consular and other services of the Member State in third countries, including setting up consular cooperation mechanisms with a view to facilitating legitimate travel to and preventing illegal immigration into the Union;
- (d) reinforcing integrated border management by testing and introducing new tools, interoperable systems and working methods which aim to enhance information exchange within the Member State or to improve interagency co-operation;
- (e) ensuring the correct and uniform application of the Union acquis on border control and visa in response to weaknesses identified at European level, as evinced in results established in the framework of the Schengen evaluation mechanism;
- (f) increasing the capacity to face upcoming challenges including present and future threats and pressures at the external borders of the Union, taking into account in particular analysis carried out by EU agencies.

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Article 10

Operating support under the national programmes of the Member States

1. A Member State may use up to 50% of the amount allocated under the Instrument to its national programme to finance operating support to the public authorities responsible for accomplishing the tasks and services which constitute a public service for the Union. These tasks and services relate to the one or more of the objectives referred to in Article 3(3) (a), (c) and (d).
2. Operating support shall be provided when the following conditions are met by the Member State concerned:
 - (a) compliance with the Union acquis on borders and visa;
 - (b) compliance with Union standards and guidelines for good governance on borders and visa, in particular the Schengen catalogue for external border control, the Practical Handbook for border guards and the Handbook for the processing of visa applications and the modification of issued visas.
3. To that end, before the approval of the national programme, the Commission shall assess the baseline situation in Member States which have indicated their intention to request operating support taking into account, where relevant, Schengen evaluation reports.

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The findings of the Commission shall be the subject of an exchange of views with the Member State concerned.

Following the exchange of views, the acceptance by the Commission of budget support within the national programme of a Member State can be made conditional upon the programming and completion of a number of actions aiming to ensure that the conditions laid down in paragraph 2 are fully met by the time the budget support is provided.

4. Operating support shall be concentrated on specific tasks and/or services and shall be focused on the objectives as laid down in Annex III. It shall entail full reimbursement of the expenditure incurred to accomplish the tasks and/or services defined in the national programme, within the financial limits set by the programme and the ceiling laid down in paragraph 1.
5. Operating support shall be the subject of monitoring and exchange of information between the Commission and the Member State concerned in relation to the baseline situation in the Member State, the objectives and targets to be accomplished and the indicators to measure progress.
6. The Commission shall set out, by [implementing acts], reporting procedures on the application of this provision and any other practical arrangements, to be made between Member States and the Commission to comply with this Article. Those [implementing acts] shall be adopted in accordance with the examination procedure referred to in Article 18(2).

Article 11

Operating support for the Special Transit Scheme

1. The Instrument shall provide support to compensate for foregone fees from visas issued for the purpose of transit and additional costs incurred in implementing the Facilitated Transit Document (FTD) and the Facilitated Rail Transit Document (FRTD) scheme in accordance with Council Regulation (EC) No 693/2003 and Council Regulation (EC) No 694/2003.
2. The resources allocated to Lithuania pursuant to paragraph 1 shall not exceed EUR 150 million for the period 2014-2020 and shall be made available as additional specific operating support for Lithuania.
3. For the purpose of paragraph 1, additional costs means costs which result directly from the specific requirements of implementing the operation of the Special Transit Scheme and which are not generated as a result of the issuing of visas for the purpose of transit or other purposes.

The following types of additional cost shall be eligible for financing:

- (a) investment in infrastructures;
 - (b) training of staff implementing the special transit scheme;
 - (c) additional operational costs, including salaries of staff specifically implementing the special transit scheme.
4. The foregone fees referred to in paragraph 1 shall be calculated on the basis of the level of visa fees and the visa fee waivers established by the Visa Facilitation Agreement between the European Union and the Russian Federation, within the financial framework set out in paragraph 2.
 5. The Commission and Lithuania shall review the application of this Article in case of changes which have an impact on the existence and/or functioning of the Special Transit Scheme.
 6. The Commission shall set out, by [implementing acts], reporting procedures on the application of this provision and any financial and other practical arrangements to be made between Lithuania and the Commission to comply with this Article. Those [implementing acts] shall be adopted in accordance with the examination procedure referred to in Article 18(2).
 7. To ensure the smooth functioning of the Special Transit Scheme the Commission may make specific interim payment arrangements which derogate from the provisions of Regulation (EU) No/2012 [Horizontal Regulation].

Article 12

Programming in line with the outcomes of the Schengen evaluation and monitoring mechanism

Following a Schengen evaluation report, as adopted in accordance with the Regulation on the establishment of an evaluation and monitoring mechanism to verify the application of the Schengen acquis, the Member State concerned shall examine, together with the Commission, how to address the findings and implement the recommendations within the framework of its national programme.

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Where necessary, a Member State shall revise its national programme [in accordance with article 14 \(8\) of Regulation \(EC\) No. .../... \[Horizontal Regulation\]](#) to take into account the findings and recommendations.

In dialogue with the Commission and the Frontex Agency, where appropriate, [a Member State](#) shall reallocate resources under its programme, including, where necessary, those programmed for operating support, and/or introduce or amend actions aiming to remedy the weaknesses in accordance with the findings and recommendations of the Schengen evaluation report.

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Article 13

Union Actions

1. At the Commission's initiative, the Instrument may be used to finance transnational actions or actions of particular interest to the Union ('Union actions') concerning the general, specific and operational objectives referred to in Article 3.
2. To be eligible for funding, Union actions shall in particular pursue the following objectives:
 - (a) to support preparatory, monitoring, administrative and technical ~~activities, and~~ development of an evaluation mechanism, required to implement external borders and visa policies, including to implement Schengen governance as determined by the Schengen evaluation and monitoring mechanism as established by the Regulation (EU) No ... on the establishment of an evaluation and monitoring mechanism to verify the application of the Schengen acquis and the Schengen Borders Code;
 - (b) to improve the knowledge and understanding of the situation prevailing in the Member States through analysis, evaluation and close monitoring of policies;
 - (c) to support the development of statistical tools and methods and common indicators;
 - (d) to support and monitor the implementation of Union law and Union policy objectives in the Member States, and assess their effectiveness and impact;
 - (e) to promote networking, mutual learning, identification and dissemination of good practices and innovative approaches at European level;
 - (f) to enhance awareness of Union policies and objectives among stakeholders and the general public, including corporate communication on the political priorities of the Union;
 - (g) to boost the capacity of European networks to promote, support and further develop Union policies and objectives;
 - (h) to support particularly innovative projects developing new methods and/or technologies with a potential for transferability to other Member States, especially projects aiming at testing and validating research projects;
 - (i) to support actions in relation to and in third countries as referred to in Article 4(2).
3. Union actions shall be implemented in accordance with Article 7 of Regulation (EU) No .../2012 [Horizontal Regulation].

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Article 14

Emergency assistance

1. The Instrument shall provide financial assistance to address urgent and specific needs in the event of an emergency situation as defined in point (e) of Article 2.
2. Emergency assistance shall be implemented in accordance with the mechanism laid down in Article 8 of Regulation (EU) No .../2012 [Horizontal Regulation].

Article 15

Establishing a programme on the development of new IT systems

1. The indicative amount allocated for the programme on the development of the new IT systems managing the movement of third-country nationals across borders is set at EUR [1,100] million, cf. Regulation (EC) No. .../201X ["Smart Borders"]. The programme shall be implemented in accordance with the Union legislation defining the new IT systems and their communication infrastructure with the aim, in particular, to improving the management and control of travel flows at the external borders by reinforcing checks while speeding up border crossings for regular travellers.
2. The Commission shall be responsible for the management of the programme. It shall adopt a multiannual strategic framework which shall include
 - (a) the main actions to be carried out;
 - (b) a breakdown of the budget by budget years;
 - (c) the time table for the implementation;
 - (d) the management methods to be used by main actions carried out. Actions may be implemented
 - directly by the Commission or through executive agencies
 - indirectly by entities and persons other than Member States in accordance with Article [57] of Regulation (EU) N° .../2012 [New Financial Regulation]

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The main actions to be carried out should cover in particular, the development and testing of the central component and of the applications common to the national components of the systems, the communication infrastructure between central and national components, the coordination for putting them into operation, and the security management of the systems.

The Commission shall adopt, by [implementing acts], the strategic framework and any revisions. Those [implementing acts] shall be adopted in accordance with the examination procedure referred to in Article 18(2).

Article 16

Technical assistance

1. At the initiative and/or on behalf of the Commission, the Instrument may contribute up to EUR [1.7] million annually for technical assistance to the Internal Security Fund in accordance with Article 10 of Regulation (EU) No .../2012 [Horizontal Regulation].

2. ~~At the initiative of a Member State, the Instrument may finance technical assistance activities in accordance with Article [20] of Regulation (EC) No. .../2012 [Horizontal Regulation].~~

~~The amount set aside for technical assistance may not exceed, for the period 2014 to 2020, [6 %] of the total amount allocated to a Member State plus EUR [210.000]. At the initiative of a Member State, technical assistance activities may be financed up to 100 % within the allocated ceiling for a Member State.~~

Deleted: <#>At the initiative of a Member State, the Instrument may contribute up to 5% of the total amount allocated to the Member State to technical assistance under the national programme in accordance with Article 20 of Regulation (EU) No .../2012 [Horizontal Regulation]. ¶

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CHAPTER III

FINAL PROVISIONS

Article 17

Exercise of the delegation

1. The power to adopt [delegated acts] is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in this Regulation shall be conferred on the Commission for a period of seven years from the entry into force of this Regulation. The delegation of powers shall be tacitly extended for periods of identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of powers referred to in this Regulation may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any [delegated acts] already in force.
4. As soon as it adopts a [delegated act], the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to this Regulation shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Article 18

Committee procedure

1. The Commission shall be assisted by the common Committee 'Asylum, Migration and Security' established by Article 55(1) of Regulation EU No .../2012 [Horizontal Regulation].
2. Where reference is made to this paragraph, Article 5 of Regulation (Eu) No 182/2011 shall apply.

Article 19

Applicability of Regulation (EU) No .../2012 [Horizontal Regulation]

The provisions of Regulation (EU) No.../2012 [Horizontal Regulation] shall apply to this Instrument.

Article 20

Repeal

Decision No 574/2007/EC of the European Parliament and of the Council establishing the External Borders Fund shall be repealed with effect from [1 January 2014].

Article 21

Transitional provisions

1. This Regulation shall not affect the continuation or modification, including the total or partial cancellation, of the projects and annual programmes until their closure or the financial assistance approved by the Commission on the basis of Decision No 574/2007 EC or any other legislation applying to that assistance on 31 December 2013.
2. When adopting decisions on co-financing under this Instrument, the Commission shall take account of measures adopted on the basis of Decision No 574/2007//EC before [*date of publication in the Official Journal*] which have financial repercussions during the period covered by that co-financing.
3. Sums committed for co-financing approved by the Commission between 1 January 2011 and 31 December 2013 for which the documents required for closure of the actions have not been sent to the Commission by the deadline for submitting the final report shall be automatically decommitted by the Commission by 31 December 2017, giving rise to the repayment of amounts unduly paid.
4. Amounts relating to actions which have been suspended due to legal proceedings or administrative appeals having suspensory effect shall be disregarded in calculating the amount to be automatically decommitted.

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Article 22

Review

On the basis of a proposal of the Commission, the European Parliament and the Council shall review this Regulation by [~~30 June 2020~~] at the latest.

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Article 23

Entry into force and application

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I

Amounts constituting the basis for the national programmes of Member States

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<u>Member State/associated state</u>	<u>Minimum amount</u>	<u>% 2010-2012 EBF average</u>	<u>Fixed part distributed on basis of 2010-2012 average</u>	<u>Total amount</u>
<u>Austria</u>	<u>5.000.000</u>	<u>0,85%</u>	<u>9.031.596</u>	<u>14.031.596</u>
<u>Belgium</u>	<u>5.000.000</u>	<u>1,16%</u>	<u>12.340.154</u>	<u>17.340.154</u>
<u>Bulgaria</u>	<u>5.000.000</u>	<u>3,29%</u>	<u>34.859.995</u>	<u>39.859.995</u>
<u>Cyprus</u>	<u>5.000.000</u>	<u>1,81%</u>	<u>19.227.859</u>	<u>24.227.859</u>
<u>Czech Republic</u>	<u>5.000.000</u>	<u>0,87%</u>	<u>9.247.223</u>	<u>14.247.223</u>
<u>Denmark</u>	<u>5.000.000</u>	<u>0,49%</u>	<u>5.245.966</u>	<u>10.245.966</u>
<u>Estonia</u>	<u>5.000.000</u>	<u>1,56%</u>	<u>16.541.584</u>	<u>21.541.584</u>
<u>Finland</u>	<u>5.000.000</u>	<u>2,97%</u>	<u>31.477.504</u>	<u>36.477.504</u>
<u>France</u>	<u>5.000.000</u>	<u>7,44%</u>	<u>78.854.448</u>	<u>83.854.448</u>
<u>Germany</u>	<u>5.000.000</u>	<u>4,35%</u>	<u>46.084.334</u>	<u>51.084.334</u>
<u>Greece</u>	<u>5.000.000</u>	<u>15,05%</u>	<u>159.498.615</u>	<u>164.498.615</u>
<u>Hungary</u>	<u>5.000.000</u>	<u>3,33%</u>	<u>35.316.435</u>	<u>40.316.435</u>
<u>Iceland</u>	<u>5.000.000</u>	<u>0,03%</u>	<u>322.300</u>	<u>5.322.300</u>
<u>Italy</u>	<u>5.000.000</u>	<u>14,07%</u>	<u>149.141.499</u>	<u>154.141.499</u>
<u>Latvia</u>	<u>5.000.000</u>	<u>0,98%</u>	<u>10.371.125</u>	<u>15.371.125</u>
<u>Lithuania</u>	<u>5.000.000</u>	<u>1,83%</u>	<u>19.422.871</u>	<u>24.422.871</u>
<u>Luxembourg</u>	<u>5.000.000</u>	<u>0,04%</u>	<u>394.403</u>	<u>5.394.403</u>
<u>Malta</u>	<u>5.000.000</u>	<u>3,54%</u>	<u>37.553.357</u>	<u>42.553.357</u>
<u>Netherlands</u>	<u>5.000.000</u>	<u>2,38%</u>	<u>25.243.037</u>	<u>30.243.037</u>
<u>Norway</u>	<u>5.000.000</u>	<u>0,87%</u>	<u>9.184.469</u>	<u>14.184.469</u>
<u>Poland</u>	<u>5.000.000</u>	<u>4,10%</u>	<u>43.481.817</u>	<u>48.481.817</u>
<u>Portugal</u>	<u>5.000.000</u>	<u>1,29%</u>	<u>13.701.096</u>	<u>18.701.096</u>
<u>Romania</u>	<u>5.000.000</u>	<u>5,22%</u>	<u>55.347.966</u>	<u>60.347.966</u>
<u>Slovakia</u>	<u>5.000.000</u>	<u>0,47%</u>	<u>5.019.645</u>	<u>10.019.645</u>

<u>Slovenia</u>	<u>5.000.000</u>	<u>2,39%</u>	<u>25.301.744</u>	<u>30.301.744</u>
<u>Spain</u>	<u>5.000.000</u>	<u>17,70%</u>	<u>187.642.478</u>	<u>192.642.478</u>
<u>Sweden</u>	<u>5.000.000</u>	<u>0,61%</u>	<u>6.425.415</u>	<u>11.425.415</u>
<u>Switzerland</u>	<u>5.000.000</u>	<u>1,294%</u>	<u>13.721.067</u>	<u>18.721.067</u>
<u>TOTAL</u>	<u>140.000.000</u>	<u>100,0%</u>	<u>1.060.000.000</u>	<u>1.200.000.000</u>

Annex II
List of specific actions

1. Setting up consular cooperation mechanisms between at least two Member States resulting in economies of scale as regards the lodging of applications and the issuing of visas at consulates in accordance with the principles on co-operation laid down in the Visa Code, including common visa application centres
2. Purchasing means of transport and operating equipment that are considered necessary for the deployment during joint operations by the Frontex Agency and which shall be put at disposal of the Agency in accordance with the criteria established in Article 7(5) 2nd and 3th paragraph of Regulation No 1168/2011³⁸.

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Deleted: <#>Purchasing means of transport and operating equipment which are deemed necessary for the running of joint operations by the Frontex Agency, pursuant to guidelines issued by this Agency¶

³⁸ [OJ L 304, 22.11.2011, p.1](#)

ANNEX III

Objectives for operating support within the national programmes

Objective 1: promoting the development and implementation of policies ensuring the absence of any controls on persons, whatever their nationality, when crossing the internal borders, carrying out checks on persons and monitoring efficiently the crossing of external borders

- operations
- staff cost
- service costs, such as maintenance and repair
- upgrading / replacement of equipment
- real estate (depreciation, refurbishment)

Objective 2: promoting the development and implementation of the common policy on visas and other short-stay residence permits, including consular co-operation

- operations
- staff cost
- service costs, maintenance and repair
- upgrading / replacement of equipment
- real estate (depreciation, refurbishment)

Objective 3: setting up and running IT systems, their communication infrastructure and equipment supporting the management of migration flows across the external borders of the Union

- operational management of SIS, VIS and new systems set up in the period
- staff cost
- service costs, such as maintenance and repair
- communication infrastructure and security related matters
- upgrading / replacement of equipment
- rental of secure premises and/or refurbishment

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. Summary of estimated impact on expenditure
 - 3.2.2. Estimated impact on operational appropriations
 - 3.2.3. Estimated impact on appropriations of an administrative nature
 - 3.2.4. Compatibility with the current multiannual financial framework
 - 3.2.5. Third-party participation in financing
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Communication "Building an open and secure Europe: the home affairs budget for 2014-2020";

Proposal for a Regulation laying down general provisions on the Asylum and Migration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management;

Proposal for a Regulation establishing the instrument for financial support for police cooperation, preventing and combating crime, and crisis management;

Proposal for a Regulation establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visa.

1.2. Policy area(s) concerned in the ABM/ABB structure³⁹

Currently Heading 3, Title 18 – Home Affairs

Future Multiannual Financial Perspectives: Heading 3 (Security and citizenship) – "Internal security"

Nature of the proposal/initiative

- The proposal/initiative relates to **a new action** (home affairs funding for the period 2014-2020)
- The proposal/initiative relates to **a new action following a pilot project/preparatory action**⁴⁰
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

³⁹ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

⁴⁰ As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

1.3. Objectives

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

The final aim of home affairs policies is to create an area without internal borders where EU citizens and third-country nationals may enter, circulate, live and work, bringing new ideas, capital, knowledge and innovation or filling gaps in the national labour markets, confident that their rights are fully respected and their security assured. Cooperation with non-EU countries and international organisations is crucial to achieving this goal.

The growing importance of home affairs policies has been confirmed by the Stockholm Programme and its Action Plan, the implementation of which is a strategic priority for the Union and covers areas such as migration (legal migration and integration; asylum; illegal immigration and return), security (prevention of and fight against terrorism and organised crime; police cooperation) and management of the external borders (including visa policy), as well as the external dimension of these policies. The Lisbon Treaty also enables the Union to demonstrate greater ambition in responding to the day-to-day concerns of citizens in the area of freedom, security and justice. Home affairs policy priorities, in particular the integration of third-country nationals, should also be seen in the context of the seven flagship initiatives presented in the Europe 2020 Strategy which aim to help the EU overcome the current financial and economic crisis and achieve smart, sustainable and inclusive growth.

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The Internal Security Fund will provide the financial assistance needed to turn the Union's home affairs objectives into tangible results.

1.3.2. Specific objective(s) and ABM/ABB activity(ies) concerned

INTERNAL SECURITY FUND

Instrument for financial support for police cooperation, preventing and combating crime, and crisis management

In line with the priorities identified in relevant Union strategies, programmes, threat and risk assessments, the Instrument will contribute to the following specific objectives

- (a) preventing and combating cross-border, serious and organised crime including terrorism, and reinforcing coordination and cooperation between law enforcement authorities of Member States and with relevant third-countries;
- (b) enhancing the capacity of Member States and the Union for managing effectively security-related risks and crisis, and preparing for and protecting people and critical infrastructure against terrorist attacks and other security related incidents.

Current ABB activities concerned: 18.05

Instrument for financial support for external borders and visa

In line with the priorities identified in relevant EU strategies, programmes, threat and risk assessments, the Instrument will contribute to the following specific objectives

- (a) supporting a common visa policy to facilitate legitimate travel, ensure equal treatment of third-country nationals and tackle illegal immigration;

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(b) supporting borders management to ensure, on one hand, a high level of protection of external borders and, on the other hand, the smooth crossing of the external borders in conformity with the Schengen acquis.

Current ABB activity concerned: 18.02 (as far as External Borders Fund is concerned).

1.3.3. *Expected result(s) and impact*

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

The effects of the proposal on beneficiaries/target groups are described in more detail in Section 4.1.2 of the Impact Assessment.

In general, simplification introduced at all levels of the funding process and in each management mode will have a clear beneficial effect on the processes under which financial support will be managed.

Police cooperation, preventing and combating crime, and crisis management

The main beneficiaries of the financial support will be the Member States and their law enforcement authorities as well as any other authority specialised in the protection of critical infrastructure and the management of crisis, but also relevant International and Non-Governmental Organisations, where appropriate (e.g. in the field of crime prevention, anti-radicalisation and anti-trafficking policies).

The target group benefitting from the changes will be the whole population. The main achievements will be 1) an enhanced administrative and operational capability of Member States to detect and successfully prosecute cross-border, serious and organised crime, including terrorism in order to reduce the security-related threats emanating from such crime, and 2) stronger European resilience to crisis and disaster owing to a more coherent EU policy on risk management linking threat and risk assessments to policy making on the one hand and a more effective and co-ordinated EU response to crisis linking up existing capabilities and expertise on the other hand. An important achievement will also be improved capabilities of Member States to prevent, prepare and protect people and critical infrastructure against terrorist attacks and other serious security-related threats.

External borders and visa

The main beneficiaries of the financial support for borders and visa will be the services implementing the EU acquis, the Schengen Borders Code and the Visa Code in the Member States: border guards, police and consular services. The target group benefitting from the changes will be travellers - all persons crossing external borders into the EU. The outcomes will include the enhanced capabilities of these services (1) to carry out border surveillance and liaise with other law enforcement services, within the framework of the European surveillance system (EUROSUR); (2) to manage migration flows at consular posts (visa applications) and (3) to improve the handling of passenger flows at border crossing points, ensuring on the one hand, a high and uniform level of protection, in co-operation with other law enforcement services, and, on the other, the smooth crossing in conformity with the acquis and the principles of respectful treatment and dignity. An important specific outcome will be the setting up of two new EU IT systems on the movement of third-country nationals across borders (an EU entry exit system and an EU registered travellers programme).

1.3.4. Indicators of results and impact

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

Due to the necessity to conduct a policy dialogue before defining the national programmes, it is not possible to establish at this stage the definitive set of indicators that will be used to measure achievement of the above-mentioned specific objectives. However

- with regard to **police cooperation and the prevention and combating of crime**, indicators would include the number of cross-border-joint operations and the number of best practice documents and events organised. Indicators for **crisis management** and the protection of critical infrastructure would include the number of tools put in place and/or further upgraded to facilitate the protection of critical infrastructure by Member States in all sectors of the economy and the number of threat and risk assessments produced at the level of the Union;

- in the area of **borders and visa** indicators would include the number of consular posts equipped, secured and/or enhanced to ensure the efficient processing of visa applications and provide quality of service to visa applicants, and the development of equipment for border control and the apprehensions of irregular third-country nationals at the external border in correspondence with the risk of the relevant section of the external border. . Impact indicators will measure the increase in border security, visa issuing capacity and the capacity to handle safely and smoothly the traffic of travellers across borders.

1.4. Grounds for the proposal/initiative

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

The EU will continue to face important challenges in the home affairs area in the period 2014-2020.

Ensuring a safe and secure environment is necessary and beneficial to the economic, cultural and social growth of the EU. The EU has a decisive role to play, whether it is by addressing the threats of serious and organized crime, cybercrime and terrorism, and by ensuring the management of EU's external borders or by responding swiftly to emerging crises caused by man-made or natural disasters. In the era of globalisation, where threats are growing and increasingly have a transnational dimension, no Member State can respond effectively on its own. A coherent and comprehensive European answer is needed to ensure that law enforcement authorities can work effectively across borders and jurisdictions.

Cooperation with non-EU countries and international organisations is crucial to achieving these goals. Recent events in Northern Africa have demonstrated how important it is for the EU to have a comprehensive and coordinated approach to migration, borders and security. The increasingly important external dimension of the EU's home affairs policies must therefore be reinforced, in full coherence with the Union's foreign policy.

1.4.2. *Added value of EU involvement*

The management of migration flows and security threats present challenges which cannot be dealt with by the Member States acting alone. These are areas where there is obvious added value in mobilising the EU budget.

Some Member States bear a heavy burden due to their specific geographic situation and the length of the external borders of the Union that they have to manage. The abolition of internal border controls must be accompanied by common measures for the effective control and surveillance of the Union's external borders. The principle of solidarity and the fair sharing of responsibilities between Member States is therefore at the heart of the common policies on asylum, immigration and external borders. The EU budget provides the means to address the financial implications of this principle. In the area of security, serious and organised crime, terrorism and other security-related threats are increasingly cross-border in nature. Transnational co-operation and coordination between law enforcement authorities is essential to successfully prevent and fight these crimes, for example through the exchange of information, joint investigations, interoperable technologies and common threat and risk assessments.

Dealing with migration flows, the management of the EU's external borders and the security of the EU requires substantial resources and capabilities from the Member States. Improved operational co-operation and coordination involving the pooling of resources in areas like training and equipment creates economies of scale and synergies thereby ensuring a more efficient use of public funds and reinforcing solidarity, mutual trust and responsibility sharing for common EU policies among Member States. This is particularly relevant in the area of security, where financial support for all forms of cross-border joint operation is essential to enhance cooperation between police, customs, border guards and judicial authorities.

In relation to the external dimension of home affairs, it is clear that the adoption of measures and the pooling of resources at EU level will increase significantly the EU leverage necessary to convince third countries to engage with the EU on those migration and security related issues which are primarily in the interest of the EU and the Member States.

The EU's right to act in the home affairs area derives from Title V "Area of Freedom, Security and Justice" of the Treaty on the Functioning of the European Union (TFEU), in particular Articles 77(2), 78(2), 79(2) and (4), 82(1), 84 and 87(2) TFEU. Cooperation with third countries and international organisations is covered by Article 212(3) TFEU. The proposals respect the principle of subsidiarity because the majority of funding will be implemented in accordance with the principle of shared management and respecting the institutional competencies of the Member States.

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

Although the current home affairs financial instruments are generally considered to achieve their objectives and function effectively, the lessons learned from the mid-term review and the stakeholder consultation are that there is a need to:

- Simplify and streamline the future home affairs instruments by reducing the number of financial programmes to two through the creation of an Asylum and Migration Fund and an Internal Security Fund. This will allow the EU to make a more strategic use of its instruments so that they are more responsive to the EU's political priorities and needs;

- Strengthen the role of the EU as a global player, by including an external dimension component in the future Funds to reinforce the EU's leverage in respect of the external policy dimension of home affairs policies;
- Give preference to shared management rather than centralised management where possible to remove unnecessary bureaucratic burdens;
- Establish a more results-oriented approach to shared management by moving to multiannual programming with a senior-level policy dialogue will ensure that the Member States' national programmes are fully aligned with EU policy objectives and priorities and focus on achieving results;
- Improve centralised management to provide a range of tools for policy-driven activities, including support for transnational actions, particularly innovative actions and actions in and related to third countries (external dimension), as well as emergency actions, studies and events;
- Establish a common regulatory framework with a shared set of rules on programming, reporting, financial management and controls which is as similar as possible to that of the other EU Funds managed in the shared management mode in order to generate a better understanding of the rules by all stakeholders and to ensure a high degree of coherence and consistency;
- Provide for a quick and effective response in case of emergencies, designing the Funds so that the EU can react appropriately in fast evolving situations;
- Enhance the role of the home affairs agencies to foster practical cooperation between Member States and by entrusting them with the implementation of specific actions, whilst ensuring appropriate political control over the agencies' activities.

More details can be found in the impact assessment and the explanatory memoranda of each Regulation.

1.4.4. Coherence and possible synergy with other relevant instruments

A number of other EU instruments will provide support to activities which are complementary to the activities that will be financed under the Internal Security Fund:

The dividing line between the Internal Security Fund and the Civil Protection Financial Instrument will remain as described in Article 3 of the current CIPS programme: natural disasters as well as unintentional man-made disasters are for civil protection (accidents), whereas intentional, man-made disasters are security-relevant and will therefore for covered by the Internal Security Fund.

Terrorist attacks or other security-related incidents will remain outside the scope of the EU Solidarity Fund. The precise scope and extent to which Article 222 TFEU (solidarity clause) might support Member States that are the object of a terrorist attack or the victim of natural and man-made disaster, is also not clear as this requires the formal adoption of implementing arrangements which have not even been proposed yet. Emergency funding possibilities in case of a major terrorist attack or other security-relevant incidents will therefore be supported by the Internal Security Fund.

The gap between security research under the Horizon 2020 Programme and the practical application of the results of such research will be closed because the Internal Security Fund will foresee specific objectives and eligible actions to allow for the funding of testing and validating of scientific research results ('prototypes') with a view to their serial application in practice ('pre-commercial procurement').

The future Justice Programme will be closely linked and complementary to the Internal Security Fund, especially its criminal justice component but is more focussed on judicial cooperation, procedural harmonisation and mutual recognition which in practice prevent substantial overlaps.

The external dimension components of the Internal Security Fund will support actions in and in relation to third countries which cater primarily for EU interests and objectives, have a direct impact in the EU and its Member States and ensure continuity with activities implemented in the territory of the EU. This funding will be designed and implemented in coherence with EU external action and foreign policy. It is not intended to support actions which are development oriented and will complement, when appropriate, the financial assistance provided through external aid instruments. In this context, the successor to the Thematic Programme Migration & Asylum and the Instrument for Stability will be of particular interest for the home affairs area. While external aid instruments either support beneficiary countries' development needs or support general EU political interests with strategic partners, home affairs funds will support specific actions in third countries in the interest of EU migration policy and EU internal security objectives. They will therefore fill a specific gap and will contribute to completing the toolbox at the disposal of the EU.

1.5. Duration and financial impact

Proposal/initiative of **limited duration**

- Proposal/initiative in effect from 01/01/2014 to 31/12/2020
- Financial impact from 2014 to 2023

Proposal/initiative of **unlimited duration**

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

1.6. Management mode(s) envisaged⁴¹

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities⁴²
- national public-sector bodies/bodies with public-service mission

⁴¹ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

⁴² As referred to in Article 185 of the Financial Regulation.

- persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

Shared management with the Member States

Decentralised management with third countries

Joint management with international organisations (*to be specified*)

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

Comments:

The proposals will be mainly implemented through shared management, with multi-annual national programmes.

The objectives to be achieved under the national programmes will be complemented by "Union actions" and a rapid response mechanism to deal with emergency situations. These will mainly take the form of grants and procurement under centralised direct management and will include actions in and in relation to third countries.

All possible means will be used to avoid fragmentation by concentrating resources on achieving a limited number of EU objectives and using the expertise of key stakeholders, where appropriate, on the basis of partnership agreements and framework agreements.

Technical assistance at the initiative of the Commission will be implemented by centralised direct management.

The countries associated with the application, implementation and the development of the Schengen acquis will also participate in the two instruments of the Internal Security Fund which constitute a development of the Schengen acquis (the instruments on borders and visa and police co-operation) as if they are Member States, in light of the Schengen Association Agreements. They will participate in the instruments in accordance with the provisions of the Regulation, implementing their own multi-annual national programmes and have the possibility to apply for funding under the Union actions etc. As under the External Borders Fund, specific arrangements will be concluded to specify the supplementary rules necessary for their participation (rules deriving from the Financial Regulation, its Implementing Rules and the Treaties, including the power of audit of the Court of Auditors). Since these States will contribute to the EU budget for the two instruments in proportion to their GDP, the arrangements will also determine the contributions to be received from these States as part of the responsibility-sharing on the Schengen governance, and this regardless of the size of their allocations under the instruments. To date, the associated States are Norway, Iceland, Switzerland and Liechtenstein.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

For shared management, a coherent and efficient reporting, monitoring and evaluation framework is proposed. For each national programme, Member States will be requested to set up a Monitoring Committee to which the Commission may participate.

On an annual basis Member States will report on the implementation of the multiannual programme. These reports are a precondition for annual payments. To feed into the mid term review process, they will be requested in 2017 to provide additional information on the progress made in achieving the objectives. A similar exercise will be undertaken in 2019, to allow, where appropriate, adjustments during the last financial year (2020).

Supporting the development of an evaluation-based culture in the area of home affairs, the Funds will have a common evaluation and monitoring framework with broad policy related indicators which underline the result-oriented approach of the Funds and the essential role they could play in the policy mix to achieve the objective of creating an area of freedom, security and justice. These indicators relate to the impact the Funds could make: the development of a common culture of border security, police cooperation and crisis management; effective management of migration flows into the EU; fair and equal treatment of third-country nationals; solidarity and co-operation between Member States in addressing migration and internal security issues and a common EU approach on both migration and security towards third countries.

To ensure adequate application of the principles on evaluation, and bearing in mind the practical experience with evaluation in Member States under the current EU funding on home affairs, the Commission and the Member States will work together to develop the common evaluation and monitoring framework, inter alia by defining templates and common output and result indicators.

All measures will be established at the beginning of the programming period, thus enabling Member States to set up their reporting and evaluation systems on the basis of the agreed principles and requirements.

To reduce administrative burden and ensure synergies between reporting and evaluation, the information required for evaluation reports will build on and complete the information provided by Member States in the annual implementation reports of the national programmes.

In 2018, the Commission will also submit a report on the mid term review carried out of the national programmes.

More globally, the Commission will submit an intermediate report on the implementation of the Funds by 30.06.2018 and an ex-post evaluation report by 30.06.2024, covering the whole implementation (i.e. not only national programmes under shared management).

2.2. Management and control system

2.2.1. Risk(s) identified

DG HOME has not been facing important risks of errors in its spending programmes. This is confirmed by the recurrent absence of significant findings in the annual reports of the Court of Auditors as well as by the absence of residual error rate above 2% in the past years in DG HOME (and former DG JLS) annual activity reports.

In shared management, the general risks in relation to the implementation of the current programmes fall mainly into three categories:

- Risk of inefficient or insufficiently targeted use of funds;
- Errors derived from the complexity of rules and weaknesses in management and control systems;
- Inefficient use of administrative resources (limited proportionality of requirements);

Specific elements concerning the system of the 4 Funds under the General Programme "Solidarity and Management of Migration Flows" are also worth mentioning.

- The system of annual programmes ensures that final payments are made regularly based on certified and audited expenditure. However, the eligibility period of the annual programmes is disconnected from the EU financial year and the chain of assurance is therefore not totally satisfactory, despite a very heavy system.
- Detailed eligibility rules are set by the Commission. This ensures in principle the homogeneity of the expenditure financed. However it also creates unnecessary workload for national authorities and the Commission and increases the risk of errors from beneficiaries and/or Member States due to the misinterpretations of EU rules.
- The current management and control systems are very close to those under the Structural Funds. However, they present slight differences, notably in the chain of responsibilities between certifying authorities and Audit Authorities. This creates confusion in the Member States, in particular when authorities are acting in the 2 types of Funds. It also increases the risk of errors and requires more intense monitoring.

These elements will be changed significantly in this proposal:

- The management and control systems will follow the general requirements set in the CSF Funds and will fully comply with the new requirements of the new Financial Regulation: the 3 authorities will be replaced by 2 authorities (Responsible Authority and Audit Authority) whose roles are clarified in view of providing better assurance.
- Multi-annual programming coupled with annual clearance based on the payments made by the Responsible Authority will align the eligibility periods with the annual accounts of the Commission, without increasing the administrative burden compared to the current system.
- On the spot checks will be carried out as part of the 1st level controls, i.e. by the Responsible Authority and will support its annual management declaration of assurance.

- Clarification and simplification of the eligibility rules as well as their harmonisation with other EU financial support instruments will reduce mistakes made by beneficiaries who use assistance from different sources. These eligibility rules will be set at national level, except for some basic principles, similar to those used for the CSF Funds.

– The use of simplified costs options is encouraged, especially for small grants.

In centralised management, the main risks are the following:

- Risk of weak correspondence between the projects received and the political priorities of DG HOME;
- Risk of poor quality of selected projects and poor technical implementation of the project, reducing the programmes' impact; due to inadequate selection procedures, lack of expertise or insufficient monitoring;
- Risk of inefficient or non-economic use of funds awarded, both for grants (complexity of reimbursing actual eligible costs coupled with limited possibilities to check eligible costs at the desk) and for procurement (sometimes limited number of economic providers with the required specialist knowledge entailing insufficient possibilities to compare price offers);
- Risk relating to the capacity of (especially) smaller organisations to effectively control expenditure as well as to ensure the transparency of operations carried out.
- Reputational risk for the Commission, if fraud or criminal activities are discovered; only partial assurance can be drawn from the third parties' internal control systems due to the rather large number of heterogeneous contractors and beneficiaries, each operating their own control system, often rather small in size.

Most of these risks are expected to be reduced thanks to a better targeting of proposals and the use of simplified elements included in the new revision of the Financial Regulation.

2.2.2. *Control method(s) envisaged*

Shared management:

At Member State level, the proposed architecture of the management and control systems represents an evolution of the set-up in place in 2007-2013 and preserves most of the functions carried out in the current period including administrative and on-the spot verifications, audits of management and control systems and project audits. The sequence of these functions is nevertheless changed to render on-the spot checks a clear responsibility of the Responsible Authority as part and parcel of the preparation for the annual clearance of account exercise.

In order to reinforce accountability, Responsible Authorities would be accredited by a national accrediting body in charge of their ongoing supervision. The reduction of the number of authorities – no more Certifying Authority and reduction of the number of Funds – is expected to reduce the administrative burden and enhance the possibility for building stronger administrative capacity, but also permit a clearer division of responsibilities.

To date no reliable estimation is available regarding the cost of controls of the shared management Funds in the Home Affairs area. The only estimation available is related to the ERDF and the Cohesion Fund where the costs of tasks related to controls (at national level excluding the costs of the Commission) are estimated around 2% of the total funding administered in the period 2007-2013. These costs are related to the following areas of control: 1% is derived from national coordination and programme preparation, 82% relate to programme management, 4% to certification and 13% to audit.

The following proposals will increase the costs of control:

- the creation and functioning of an accrediting body and in general the change of system;
- the submission of a management declaration accompanying the annual accounts;
- the on-the-spot checks to be made by the Responsible Authority;
- the need for additional audit activity by the Audit Authorities to audit the management declaration.

There are however also proposals which will reduce the costs of control:

- Certifying Authority will cease to exist. Although their functions will be partially transferred to the Responsible Authority, this will allow the Member State to save a substantial part of the costs relating to certification due to better administrative efficiency, reduced need for coordination and reduction of the scope of audits;
- The controls to be performed by the Audit Authority will be more oriented towards re-performing (a sample of) the 1st level administrative and on-the spot controls carried out by the Responsible Authority. This will speed up the adversarial procedure and ensure that all necessary controls are carried out before the submission of the annual accounts;
- The use of simplified costs will reduce administrative costs and burdens at all levels, for both administrations and beneficiaries;
- Annual closure, and the limitation of the period for conformity clearance to 36 months will reduce the period of retention of documents for control purposes for public administrations and beneficiaries;
- The setting-up of electronic communication flows between the Commission and the Member States will be mandatory.

To these must be added the elements of simplification listed under §2.2.1 above that will also contribute to the reduction of administrative burden for beneficiaries and thus represent a simultaneous reduction of risks of error and of administrative burden.

Therefore, overall it is expected that these proposals will lead to a redistribution of control costs rather than an increase or a reduction. It is however anticipated that this redistribution of costs (across functions and due to the proportionate control arrangements, also across Member States and programmes) will enable a more effective mitigation of risks and a better and quicker chain of assurance.

At Commission level, the cost of management and controls for shared management is not expected to decrease in the first half of the programming period. This is firstly the case because the amount

and policy areas concerned by shared management will expand compared to the current period. Therefore maintaining the same resources will already require gains in efficiency. In addition, the first years will be characterised by the conjunction of many important tasks to carry out: closure of programmes 2007-2013 (last closure reports due by 31 March 2016), policy dialogues and approval of the multi-annual national programmes 2014-2020, the setting-up of the new clearance of accounts system. In the second half of the period the potential resources available will be used to improve the evaluation and monitoring.

Centralised management

As regards centralised management, the Commission will continue to apply its current control system that is composed of the following building blocks: supervision of operations by the operational directorates, the ex-ante control by the Budget and Control Unit, the Internal Procurement Committee (JPS/HPC), the ex-post controls for grants or the audits from the Internal Audit Capacity and/or the Internal Audit Service. The ex-post control sector applies a "detection strategy" aimed at detecting a maximum of anomalies in view of recovering undue payments. Based on this strategy, the audits are carried out on a sample of projects selected almost entirely on the basis of a risk analysis.

Thanks to this combination of ex-ante and ex-post controls as well as desk checks and on-site audits, in the past years the quantifiable average residual error rate was lower than 2%. Therefore, the internal control system as well as its cost is deemed adequate in DG HOME to achieve the objective of a low error rate.

However, within this framework, DG HOME will continue to explore possibilities to enhance the management and to increase simplification. In particular, all simplified options made available in the new the Financial Regulation will be used as much as possible as it is expected that they will contribute to the reduction of administrative burden for beneficiaries and thus represent a simultaneous reduction of risks of error and of administrative burden for the Commission.

New strands

The proposals foresee new strands for EU funding in the home affairs area, e.g. a better use of the expertise existing in the EU agencies, the development of the external dimension and the strengthening of the emergency mechanisms.

These will require new management and control methods for DG Home.

The amounts that will be devoted to these new strands are not fixed yet, but they are unlikely to be significant compared to the overall home affairs budget. However, it will be very important to set up the internal means and working arrangements to implement these new tasks as early as possible within the period, in full respect of the principles of sound financial management.

The analysis above shows clearly that, despite all simplifications introduced, the level of human resources required to implement the increased budget of DG HOME will have to be reinforced. The human resources required will be met by staff from the DG that 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 and in the light of budgetary constraints

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

In addition to the application of all regulatory control mechanisms, DG HOME will devise an anti-fraud strategy in line with the Commission's new anti-fraud strategy (CAFS) adopted on 24 June 2011 in order to ensure inter alia that its internal anti-fraud related controls are fully aligned with the CAFS and that its fraud risk management approach is geared to identify fraud risk areas and adequate responses. Where necessary, networking groups and adequate IT tools dedicated to analysing fraud cases related to the Funds will be set up.

As regards shared management, the CAFS identifies clearly the need for the Commission proposals for 2014-2020 regulations to request Member States to put in place fraud prevention measures which are effective and proportionate to the identified fraud risks. The current proposal includes in article 5 a clear requirement for the Member States to prevent, detect and correct irregularities and to report to the Commission. Further details as regards these obligations will be part of the detailed rules on the functions of the Responsible Authority as foreseen in Article 24(5)(c).

In addition, the re-use of funds coming from financial correction based on commission or Court of Auditors findings has been clearly indicated in Article 41.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff. ⁽⁴³⁾	from EFTA ⁴⁴ countries	from candidate countries ⁴⁵	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
3		Diff	NO	NO	NO	NO

- 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 3	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	18 01 04 bb - Internal Security Fund – Police & Crime - Technical assistance	Non Diff	NO	NO	YES	NO
3	18 02 bb - Internal Security Fund - Police & Crime	Diff	NO	NO	YES	NO
3	18 01 04 cc - Internal Security Fund – Borders & Visas - Technical assistance	Non Diff	NO	NO	YES	NO
3	18 02 cc - Internal Security Fund - Borders & Visas	Diff	NO	NO	YES	NO

⁴³ Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations

⁴⁴ EFTA: European Free Trade Association.

⁴⁵ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

Contributions from third Countries concern both components of the Internal Security Fund.

The criteria and the method to calculate these contributions are to be negotiated between the EU and the Associated States on the basis of a separate procedure.

Assuming percentages similar to those currently used under the EBF, the Associated States would be called upon to contribute with about EUR 210 million to the Borders and Visa component and with about EUR 50 million to the Police cooperation component.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

Heading of multiannual financial framework:	Number 3	Security and Citizenship
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DG HOME			2014	2015	2016	2017	2018	2019	2020	After 2020	TOTAL
• Operational appropriations (current prices)											
18 02 bb Internal Security Fund – Police and Crime	Commitments	(1a)	135.076	143.047	151.283	159.791	168.578	177.653	187.022		1,122.450
	Payments	(2a)	15.714	43.881	71.419	111.709	147.854	156.248	164.918	410.707	1,122.450
18 02 cc Internal Security Fund - Borders & Visas	Commitments	(1a)	422.310	447.186	472.886	499.435	526.856	555.173	584.412	-	3,508.258
	Payments	(2a)	59.999	120.794	223.204	350.813	461.098	487.256	514.275	1,290.818	3,508.258
Appropriations of an administrative nature financed from the envelope for specific programmes⁴⁶											
18 01 04 bb Internal Security Fund– Police and Crime			0.800	0.800	0.800	0.800	0.800	0.800	0.800		5.600
18 01 04 cc Internal Security Fund - Borders & Visas			1.700	1.700	1.700	1.700	1.700	1.700	1.700		11.900
TOTAL appropriations for DG HOME	Commitments	=1+1a +3	559,886	592,733	626,669	661,726	697,934	735,326	773,934		4,648,208
	Payments	=2+2a +3	78,213	167,174	297,123	465,023	611,452	646,004	681,693	1,701,525	4,648,208

⁴⁶ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

Heading of multiannual financial framework:	5	" Administrative expenditure "
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EUR million (to 3 decimal places)

As there are common elements in the implementation of the Asylum and Migration Fund and the Internal Security Fund such as a policy dialogue with each Member States and given that the internal organisation of DG HOME in order to ensure the management of the new Funds (as well as the closure of the programmes currently managed) may evolve, it is not possible to split the Administrative expenditure between the Asylum and Migration Fund and the Internal Security Fund.

Therefore the figures related to Heading 5 below correspond to the total administrative expenditure deemed necessary to ensure management of both Funds by DG and there is no total of appropriations.

EUR million (to 3 decimal places)

		2014	2015	2016	2017	2018	2019	2020	After 2020	TOTAL
DG: HOME										
• Human resources		20.841	20.841	20.841	20.841	20.841	20.841	20.841		145.887
• Other administrative expenditure		0,156	0,159	0,162	0,165	0,168	0,172	0,175		1,157
TOTAL DG HOME	Appropriations	20.997	21.000	21.003	21.006	21.009	21.013	21.016		147.044

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	20.997	21.000	21.003	21.006	21.009	21.013	21.016		147.044
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EUR million (to 3 decimal places)

		2014	2015	2016	2017	2018	2019	2020		TOTAL
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Payments									

3.2.2. *Estimated impact on operational appropriations*

- The proposal/initiative does not require the use of operational appropriations
- The proposal requires the use of operational appropriations, as explained below:
Home Affairs policy is implemented mainly by shared management. While spending priorities are set at the EU level, actual day-to-day management is vested in Responsible Authorities at national level. Common output indicators and targets will be decided together by the Commission and the Responsible Authorities as part of their national programmes, and approved by the Commission. It is therefore difficult to indicate targets for outputs until the programmes are drafted, negotiated and approved in 2013/14.
As regards centralised management, it is also not possible for DG HOME to provide an exhaustive list of all outputs to be delivered by means of the financial intervention under the Funds, their average costs and numbers, as requested by this section. There are no statistical tools at the moment allowing the calculation of meaningful average costs on the basis of the current programmes, and such a precise definition would be contrary to the principle that the future programme should provide enough flexibility to cater for adapting to political priorities between 2014-2020. This is particularly true for emergency assistance and actions in and in relation to third countries.

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ↓			Year N	Year N+1	Year N+2	Year N+3	... enter as many years as necessary to show the duration of the impact (see point 1.6)								TOTAL		
	OUTPUTS																
	Type of output ⁴⁷	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs
SPECIFIC OBJECTIVE No 1 ⁴⁸ ...																	
- Output																	
- Output																	
- Output																	
Sub-total for specific objective N°1																	
SPECIFIC OBJECTIVE No 2...																	
- Output																	
Sub-total for specific objective N°2																	
TOTAL COST																	

⁴⁷ Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

⁴⁸ As described in Section 1.4.2 "Specific objective(s)"

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

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

As there are common elements in the implementation of the Asylum and Migration Fund and the Internal Security Fund such as a policy dialogue with each Member States and given that the internal organisation of DG HOME in order to ensure the management of the new Funds (as well as the closure of the programmes currently managed) may evolve, it is not possible to split the Administrative expenditure between the Asylum and Migration Fund and the Internal Security Fund.

Therefore the figures related to Heading 5 below correspond to the total administrative expenditure deemed necessary to ensure management of both Funds by DG and there is no total of appropriations.

EUR million (to 3 decimal places) **HOME**

HEADING 5 of the multiannual financial framework⁴⁹	2014	2015	2016	2017	2018	2019	2020	TOTAL
Human resources HOME	20.841	20.841	20.841	20.841	20.841	20.841	20.841	145,887
Other administrative expenditure	0,156	0,159	0,162	0,165	0,168	0,172	0,175	1,157
Subtotal HEADING 5 of the multiannual financial framework	20,997	21,000	21,003	21,006	21,009	21,013	21,016	147,044

Outside HEADING 5⁵⁰ of the multiannual financial framework⁵¹	2014	2015	2016	2017	2018	2019	2020	TOTAL
Human resources HOME	0.640	0.640	0.640	0.640	0.640	0.640	0.640	4,480
Other expenditure of an administrative nature	1.860	1.860	1.860	1.860	1.860	1.860	1.860	13,020
Subtotal outside HEADING 5 of the multiannual financial framework	2,500	2,500	2,500	2,500	2,500	2,500	2,500	17,500

TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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⁴⁹ Global envelope, based on the 2011 Final Allocation for Human Resources, including officials and external staff.

⁵⁰ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

⁵¹ External staff financed from former BA lines, based on the 2011 Final Allocation for Human Resources, including external staff at Headquarters and in Delegations

3.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- The proposal/initiative requires the use of human resources, as explained below:
Figures used for the year n are the ones for 2011.

As there are common elements in the implementation of the Asylum and Migration Fund and the Internal Security Fund such as a policy dialogue with each Member States and given that the internal organisation of DG HOME in order to ensure the management of the new Funds (as well as the closure of the programmes currently managed) may evolve, it is not possible to split the Administrative expenditure between the Asylum and Migration Fund and the Internal Security Fund.

Therefore the figures related to Heading 5 below correspond to the total administrative expenditure deemed necessary to ensure management of both Funds by DG and there is no total of appropriations.

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

	Year N	Year N+1	Year N+2	Year N+3	Year N+4	Year N+5	Year N+6
• Establishment plan posts (officials and temporary agents) HOME							
18 01 01 01 (Headquarters and Commission's Representation Offices)	136	136	136	136	136	136	136
XX 01 01 02 (Delegations)	15	15	15	15	15	15	15
18 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE)⁵²							
18 02 01 (CA, INT, SNE from the "global envelope")	16	16	16	16	16	16	16
XX 02 02 (CA, INT, JED, LA and SNE in the delegations)	10	10	10	10	10	10	10
18 01 04 bb ⁵³	- at Headquarters ⁵⁴	4	4	4	4	4	4
	- in delegations	*	*	*	*	*	*
18 01 04 cc ⁵⁵	- at Headquarters ⁵⁶	6	6	6	6	6	6
	- in delegations	*	*	*	*	*	*
XX 01 05 02 (CA, INT, SNE - Indirect research)							
10 01 05 02 (CA, INT, SNE - Direct research)							
Other 13 01 04 02)							
TOTAL	N/A	N/A	N/A	N/A	N/A	N/A	N/A

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG that 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 and in the light of budgetary constraints. Amounts and imputations would be adjusted in the event of any externalisation process to an Executive Agency.

⁵² CA= Contract Agent; INT= agency staff ("*Intérimaire*"); JED= "*Jeune Expert en Délégation*" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

⁵³ Under the ceiling for external personnel from operational appropriations (former "BA" lines).

⁵⁴ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

⁵⁵ Under the ceiling for external personnel from operational appropriations (former "BA" lines).

⁵⁶ Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

Description of tasks to be carried out:

<p>Officials and temporary agents at headquarters</p>	<p>The tasks to be carried out comprise all tasks necessary to the management of a financial programme, such as:</p> <ul style="list-style-type: none"> - providing input to the budgetary procedure; - conducting the policy dialogue with Member States; - preparing annual work programmes/financing decisions, establishing annual priorities, approving national programmes; - managing national programmes, calls for proposals and calls for tenders and the subsequent selection procedures; - communicating with stakeholders (potential/actual beneficiaries, Member States, etc); - drafting guidelines to Member States - managing projects, operationally and financially; - performing controls, as described above (ex ante verification, procurement committee, ex post audits, internal audit, clearance of accounts); - accounting; - developing and managing grant and national programme management IT tools; - monitoring and reporting on achievement of objectives, including in the Annual Activity Report and in the report of the Authorising Officer by sub-Delegation
<p>External personnel</p>	<p>The tasks are similar to those of officials and temporary agents, except for tasks that cannot be fulfilled by external personnel</p>
<p>Personnel in delegations</p>	<p>To accompany the development of policy implementation in the home affairs area, and in particular its external dimension, EU delegations will need to be equipped with sufficient home affairs expertise. This could be staff from the European Commission and/or the European External Action Service.</p>

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible the **next** multiannual financial framework.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework⁵⁷.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties
- The proposal provides that European funding needs to be co-financed. The exact amount cannot be quantified. The regulation establishes maximum co-financing rates differentiated in line with the types of actions:

Appropriations in EUR million (to 3 decimal places)

	2014	2015	2016	2017	2018	2019	2020	Total
Specify the co-financing body	MS	MS	MS	MS	MS	MS	MS	
TOTAL appropriations cofinanced	tbd	tbd	tbd	tbd	tbd	tbd	tbd	

⁵⁷ See points 19 and 24 of the Interinstitutional Agreement.

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 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative ⁵⁸						
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)		
Article								

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

Specify the method for calculating the impact on revenue.

⁵⁸ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.

Member State	Minimum amount	Percentage 2010-2012 average	Distribution on basis of percentage	Total Amount
Austria	5.000.000	0,82%	8.699.674	13.699.674
Belgium	5.000.000	1,13%	11.886.638	16.886.638
Bulgaria	5.000.000	3,18%	33.578.849	38.578.849
Cyprus	5.000.000	1,76%	18.521.213	23.521.213
Czech Republic	5.000.000	0,84%	8.907.377	13.907.377
Denmark	5.000.000	0,48%	5.053.171	10.053.171
Estonia	5.000.000	1,51%	15.933.661	20.933.661
Finland	5.000.000	2,87%	30.320.668	35.320.668
France	5.000.000	7,20%	75.956.454	80.956.454
Germany	5.000.000	4,21%	44.390.681	49.390.681
Greece	5.000.000	14,56%	153.636.854	158.636.854
Hungary	5.000.000	3,22%	34.018.515	39.018.515
Iceland	5.000.000	0,03%	310.455	5.310.455
Italy	5.000.000	13,62%	143.660.373	148.660.373
Latvia	5.000.000	0,95%	9.989.974	14.989.974
Lithuania*	5.000.000	1,77%	18.709.058	23.709.058
Luxembourg	5.000.000	0,04%	379.909	5.379.909
Malta	5.000.000	3,43%	36.173.227	41.173.227
Netherlands	5.000.000	2,30%	24.315.326	29.315.326
Norway	5.000.000	0,84%	8.846.929	13.846.929
Poland	5.000.000	3,97%	41.883.809	46.883.809
Portugal	5.000.000	1,25%	13.197.565	18.197.565
Romania	5.000.000	5,05%	53.313.864	58.313.864
Slovakia	5.000.000	0,46%	4.835.168	9.835.168
Slovenia	5.000.000	2,31%	24.371.875	29.371.875
Spain	5.000.000	17,13%	180.746.396	185.746.396
Sweden	5.000.000	0,59%	6.189.272	11.189.272
Switzerland	5.000.000	1,25%	13.216.801	18.216.801
Croatia	5.000.000	3,22%	33.956.244	38.956.244
Total	145.000.000	100%	1.055.000.000	1.200.000.000