



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.02.2004  
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2004/0032 (CNS)

Proposal for a

**COUNCIL DECISION**

**establishing the European Refugee Fund for the period 2005-2010**

(presented by the Commission)

SEC(2004) 161

## EXPLANATORY MEMORANDUM

### ERF II: GREATER FINANCIAL SOLIDARITY AND MORE STRATEGIC SUPPORT FOR THE COMMON EUROPEAN ASYLUM SYSTEM

The Council Decision of 28 September 2000<sup>1</sup> establishing a European Refugee Fund (ERF) was one of the first asylum policy measures to be adopted on the basis of the Treaty of Amsterdam. The Fund, which was backed by the European Parliament and based on a proposal by the Commission, has been instrumental in laying the foundations of collective action by the Community for the reception of asylum-seekers and people requiring international protection as part of a comprehensive approach. It has also helped to secure agreement on the Directive on temporary protection in the event of a mass influx of displaced persons. The first phase of legislative harmonisation establishing the common European asylum system is nearing completion, and under the terms of the original decision the Council must now review this decision by 31 December 2004 at the latest on the basis of a proposal to be produced by the Commission.

A thorough evaluation and extensive consultation of the parties concerned was drawn on to prepare this proposal: the mid-term evaluation of ERF I completed in November 2003, a broad-based review conference held on 30-31 October 2003 and an extended impact assessment (separate Commission working document).<sup>2</sup>

#### **1. RESULTS OF ERF I AND NEEDS IDENTIFIED FOR ERF II**

##### ***RESULTS OF ERF I***

On the whole, the Fund has fulfilled the role assigned to it in 2000 as an instrument of solidarity.

##### **Distribution of resources**

The amount initially earmarked for the Fund was increased by the budgetary authority in 2002 and 2003. The methods of calculating the annual allocations to the Member States, laid down in Article 10 of the Council Decision, allowed changes in the distribution of funds between the Member States to reflect changes in the number of asylum applications and people awarded refugee status or another form of international protection. The fixed amounts provided for in Article 10(1) have had a positive corrective effect, by adjusting the allocation of funds in a way that is comparable to (but administratively simpler than) criteria such as the relative burden borne by each country (particularly in terms of number of asylum applications per capita GNP). The Member States encountered a few difficulties at the beginning of the programme, largely due to the late adoption of the decision by the Council in September 2000, but the programme and projects were fully operational by 2002.

The Member States to benefit most from the Fund are Germany, the United Kingdom, France and the Netherlands (together accounting for around 64% of the total). Then come Sweden, Austria, Italy and Belgium (about 25.5% of the total). Finally, Ireland, Spain, Finland, Greece Luxembourg and Portugal account for the last 10.5%.

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<sup>1</sup> Decision 2000/596/EC of 28.9.2000, OJ L 252, 6.10.2000.

<sup>2</sup> SEC (2004) 161, 12.02.2004.

## **Impact on national asylum systems**

Looking at the way Member States have implemented ERF I, we can identify three main strategies. One group of countries (Italy, Spain, Portugal and Greece) had limited experience of reception, integration and voluntary returns before the creation of the Fund. These countries have concentrated on developing reception facilities. This is particularly striking in the case of Italy, which has developed a national programme thanks to the Fund. A second group of Member States with a longer history of structural asylum policy (the Netherlands, Germany, the United Kingdom, Sweden and Finland) have generally chosen to develop integration and return projects. The third group (France and Luxembourg) have used the Fund more as additional funding for activities that already existed. There are other variations, dictated mainly by the nature and quality of the reception provisions. Some Member States (Austria, Spain, Germany, Greece and the United Kingdom), for example, tend to use the Fund for projects geared to individuals, whereas others (Belgium, France, Luxembourg, Ireland) give priority to systems and structures.

## **Measures and beneficiaries**

In the area of reception and access to procedures (51% of national Fund activities between 2000 and 2002), the activities co-financed by the ERF focused mainly on improving accommodation and meeting basic needs, training staff working with asylum-seekers, providing help for people who are traumatised, advising asylum-seekers and improving networking and cooperation between public authorities, NGOs and governmental organisations.

In the area of integration (28% of national Fund activities between 2000 and 2002), ERF aid went to language training, promoting employability, advice on housing, education, understanding and accessing social benefits, and on developing partnerships between public authorities, Community organisations, employers and housing organisations and on public information campaigns on refugee issues.

In the area of returns (21% of national Fund activities between 2000 and 2002), ERF aid was mainly used to increase practical assistance for repatriation, to develop networks between organisations in Europe and/or countries of origin, advice, vocational training geared to the possibilities for reintegration and finding jobs in the countries of origin and devising information strategies on the situation in the countries of origin. The proportion of repatriation projects has risen sharply, from 15.82% in 2000 to 24.45% in 2002. However, it is proving difficult to implement them.

We estimate that between 250 000 and 350 000 people (asylum-seekers or people who enjoy some form of international protection in the European Union) have benefited directly or indirectly from the projects co-financed by the Fund between 2000 and 2002.

The amounts devoted to Community actions (5% of the Fund's budget) have been used between 2000 and 2002 to subsidise research and evaluation activities (53%), public awareness campaigns (24%) and capacity-building (23%).

No use has yet been made of the emergency measures, given the absence of any situation requiring the adoption of a temporary protection scheme at Community level.

## ***WHAT IS NEEDED IN THE SECOND PHASE OF THE ERF?***

## **Greater emphasis on European policy dimension, added value and additionality**

When the Fund was created, the European Union did not possess a coherent body of legislation in the field of asylum. Now that this has been developed, it is clear that the way national co-financing has been applied has paid scant attention to the general goal of European convergence on asylum policy. A number of crucial requirements have been identified: awareness of the impact of transposal and implementation of European asylum legislation and policy guidelines at European level, comparisons between practices at the level of both management and the actions co-financed, the identification of best practice and greater possibilities for transnational projects. However, it is important that each Member State should still be able to make its own choices, so that actions satisfy the specific needs of its asylum system, which are the product of its particular structural characteristics and its history of accepting refugees. In this context, particular emphasis was placed in the preparatory consultations on the need to involve all those with an interest in asylum policy in each Member State more closely in the definition of the national strategies for implementing the Fund, in order to increase its impact and the incentive effect it has on the partners.

Greater emphasis must be placed on the principle of additionality and added value of Community funding in conjunction with the development of a common asylum policy. ERF funds are not intended as a substitute for the national resources that would normally be spent on national provisions for reception, integration and voluntary return, but to assist the Member States in developing provisions and structures for enforcing and supporting asylum policy, in particular by supporting action to accompany the implementation of the common standards resulting from Community asylum legislation, and by promoting innovation.

## **Role of other financial instruments in the field of migration**

Since 2003 the European Union has acquired a number of new instruments providing for solidarity in the management of migratory flows. A budget heading has been created for funding pilot projects in 2003 and preparatory action in 2004 and 2005 to explore the issue of the integration of migrants (other than refugees) in the European Union. It received €4 million in 2003 and at least €5 million in 2004. The establishment of the European Agency for the Management of Operational Cooperation at the External Borders<sup>3</sup> is a reflection of collective action in the management of the external borders. The Commission has also proposed financial support in the form of preparatory measures to manage returns in 2005 and 2006. This would have a total budget of €30 million and would focus on cases specifically identified on a common basis, covering both voluntary and forced returns, including the costs involved in actual return operations. The Council and Parliament Regulation on financial and technical assistance to third countries in the area of migration and asylum should be adopted in early 2004. It will have a budget of €250 million for the period 2004-08. The EQUAL programme under the ESF, part of which covers the problem of integrating asylum-seekers in the labour market, will end in 2007. For the entire programming period 2000-2006, EQUAL will have an endowment of €125 million for the Asylum-seekers strand. It is therefore important to ensure consistency and complementarity with all these instruments. It is also clear that the transfer to the second phase of the multiannual programming of ERF II, as proposed below, must take into account the impact of these instruments and any follow-up to them.

## **Enlargement**

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<sup>3</sup> COM (2003) 687, 11.11.2003.

Although the acceding countries are covered for the first time by ERF I in 2004, they will only be fully introduced to the management and objectives of the Fund from 2005. During the consultations that preceded this proposal, particular emphasis was placed on the need for clear Europe-wide guidelines to accompany the implementation of the Fund in these new Member States. It is also likely that the number of asylum-seekers and refugees for whom these countries will be directly responsible will gradually increase. Finally, more attention will have to be paid to the questions of integration and voluntary returns in these countries in future.

### **Administrative arrangements**

The first phase of the Fund was based on a system of shared management with the Member States. In the light of experience with this system, the following needs have been identified:

- greater emphasis on cost-effectiveness (given the importance for the target group and grant recipients of having access to information and to management procedures in their native language);
- greater role for the Commission in the strategic and operational implementation of the Fund;
- solutions to the difficulties highlighted by many Member States during the first phase of the Fund in the area of management, particularly related to the complexity and costliness of the administrative rules and the difficulties that the payment arrangements for the Community funds pose for national administrations that do not have funds under their national budgets for paying project beneficiaries the advance on the Community contribution.

## **2. MAIN CHARACTERISTICS OF ERF II**

### **More closely tied in with legislative harmonisation and European asylum policy**

At a time when at least six pieces of secondary legislation laying down common standards in asylum policy are about to take effect in all Member States, it is essential that the Fund be applied as a genuinely complementary measure by Member States which will undoubtedly be confronted by structural changes prompted by the arrival of groups of people covered by the Fund and by the new legislation. There is now a need for proper implementation plans at national level. The need for further European action in the management of asylum systems has also become apparent, for example the organised admission into the EU of people requiring international protection (under resettlement schemes). Finally, the need for complementarity and coherence will increase with the second phase of legislative harmonisation, as laid down in Tampere and in the draft constitutional treaty.

For this reason the Commission believes the Fund should be renewed, by launching a second phase that will be more strategic and will take greater account of Community legislation and its effects. This second phase will last six years, so there will be multiannual programming for two three-year periods. By splitting it this way it will be possible to take into account the impact of the new financial perspectives in 2007 and also to assess the impact on the Fund of the development of other financial instruments in the field of migration.

The proposal is to retain the same target groups as in the first phase, with the addition of people admitted into the EU for international protection reasons under resettlement schemes. Although this group was not formally excluded from the Fund before, there was no mention of it, which led to confusion. This is now an issue of European concern, referred to in

Commission communications<sup>4</sup> and the recent Presidency conclusions,<sup>5</sup> and the subject of operational programmes in several Member States.

In the interests of coherence in asylum policy, the three main types of measure (reception and asylum procedures, integration, voluntary returns) remain, but defined more precisely on the basis of experience with ERF I. In fact, greater coherence will be ensured by allowing the co-financing of actions covering two or all of the aspects of asylum. This does not pre-empt the assessment of the impact of and follow-up to financial instruments such as the pilot projects on integration or preparatory measures for the management of returns, which will be carried out at the end of their funding period. The year 2007 would be the ideal time for such an assessment (end of the funding period for all of these tools and new financial perspectives).

Community action (10% of the funds allocated to the Fund, instead of the current 5%) will be increased by concentrating on best practice, more transnational projects, dialogue and information on projects results.

Finally, the emergency measures connected with the application of the Directive on temporary protection in the event of a mass influx of displaced persons are renewed.

### **Improved management and a more strategic role for the Commission**

There is still a need to delegate certain management tasks, including budgetary implementation, to the Member States in the second phase of the Fund. This is because of both the differences between asylum systems in the Member States at the moment and the need to support initiatives liable to achieve results and have an impact on the situation of people in the Member States and on the systems associated with reception, integration and voluntary return. The substantial increase proposed in the Fund's resources in the second phase is another reason for continuing delegation.

The analysis of the results of the first phase of the Fund, the need that has been voiced for the Commission to play a greater role, particularly in planning and pooling information, and the entry into force of the new Financial Regulation (and implementing rules) tightening up the rules on the delegation of public service tasks to external institutions or organisations have all contributed to the decision to opt for a system of shared management in the second phase of the Fund, with management tasks being delegated to the Member States via designated bodies in each country (responsible authorities).

At the same time as management and financial tasks are delegated to the responsible authorities, measures will be taken to simplify the management framework and ensure greater coherence and interoperability between management systems and information systems.

The Commission, for its part, will be responsible for examining and approving the multiannual programmes (which would be proper strategic work plans by the Member States, produced after national consultations involving those involved in asylum policy) and the annual applications for co-financing. It would also provide Member States with more guidance and information on implementing the Fund.

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<sup>4</sup> COM (2000) 755, 22.11.2000, COM (2003) 152, 26.3.2003, COM (2003) 315, 3.6.2003.

<sup>5</sup> Thessaloniki European Council, 19-20 June 2003, and JHA Council, 27.11.2003.

### **3. ALLOCATION OF RESOURCES AND DISTRIBUTION CRITERIA**

As stated in its communication of 3 June 2003, and in the spirit of the text of the draft constitutional treaty produced by the Convention on the Future of Europe, the Commission believes that more resources should be devoted to Community solidarity in the area of asylum policy, within the constraints of the financial perspectives. It therefore envisages two financial phases: the first from 2005 to 2007, when the amounts allocated would be broadly similar to those in the current phase, but with a slight increase, and a second phase, from 2008 to 2010, when there would be a sizeable increase in the allocations, depending on the new financial perspectives. This increase would enable the Fund to become more than just a symbolic gesture and to produce results and have a significant impact not only on the target groups but also on asylum systems in general. This outlook combines sensible management of the Community budget with the need to make more strategic use of the financial resources devoted to its asylum policy. These two phases will also allow us to take account of the parallel changes and advances, reflected in both the allocation of financial resources and the content of the legal bases, being made in EU solidarity in managing migratory flows (management of external borders, instruments of policy on returns, action to promote the integration of third-country nationals, administrative cooperation between Member States, programme of technical and financial assistance or third countries in the area of asylum and migration).

In view of the objectives of this instrument and the different situations of the Member States, the Commission considers that the distribution criteria laid down for ERF I should not be radically changed. The basic reference point should thus continue to be the number of asylum-seekers and people in need of international protection actually being looked after in each Member State. The principle of an adjustment in the form of a fixed grant should also be retained. It is proposed to raise this fixed amount to €300 000, to enable all the Member States to meet their obligations as regards the management of the Fund, and abolishing the degressive element built into ERF I. Special aid for the new Member States for the first three years of ERF II would raise this amount to €500 000, which should be used as a first priority to make good structural shortfalls.

### **4. LEGAL BASIS**

Article 63(2)(b) of the Treaty establishing the European Community is the legal basis for this decision, which has as its immediate objective to support and promote the efforts made by the Member States in receiving and bearing the consequences of receiving refugees and displaced persons. If the United Kingdom and Ireland wish the decision to apply to them they must notify this in accordance with Article 3 of the Protocol on their position, annexed to the Treaty on European Union and the Treaty establishing the European Community. Denmark will not take part in the adoption of the decision or be subject to its provisions, in accordance with Articles 1 and 2 of the Protocol on the position of Denmark.

### **5. SUBSIDIARITY AND PROPORTIONALITY**

#### **Subsidiarity**

The requirement of promoting a balance in the efforts made by the Member States requires a financial contribution aimed at both relieving the pressure on the Member States most affected and developing the capacity of the Member States whose asylum infrastructure and

services are inadequate, and presupposes a redistribution at European Union level which cannot be achieved by the Member States in isolation.

## **Proportionality**

The decision will make it possible to provide financial support from the European Refugee Fund to the actions listed in each of the areas of action it refers to, while leaving the Member States to select the actions and the way in which they are to be carried out under schemes agreed in conjunction with the Commission. However, given the adoption of common standards in asylum policy since the creation of the Fund in 2000, and the increased importance of solidarity in the management of migratory flows, the strategic aspect of this instrument as a tool of the common European asylum system is now accentuated (particularly through multiannual programming), and provision is made for an increase in the financial resources to be deployed under shared management. The use of Community appropriations must also be subject to clear and uniform rules contained in a Council decision, which is the appropriate instrument for implementing Community programmes.

## **COMMENTARY ON THE ARTICLES**

### Article 1

This article establishes the European Refugee Fund for the period from January 2005 to December 2010 and describes in general terms the objective of supporting the efforts of Member States to receive refugees and displaced persons in order to help achieve a balance in the efforts made by each in this respect, while at the same time tying it more closely to ongoing legislative harmonisation and European asylum policy.

### Article 2

This article emphasises the principle of annuality of the budget and incorporation within the financial perspectives of the Union. It provides for a meeting to be held after the adoption of the new financial perspective and, if necessary, for the possibility of ensuring consistency between annual grants.

### Article 3

This article describes the various categories that constitute the target groups which may be concerned in one way or another by the actions covered by the Decision.

### Article 4

This article lists the three areas of action in the Member States where support from the European Refugee Fund contributes to achieving the objective set in Article 1 and puts them in the context of support for the application of Community legislation. It also allows the inclusion of a number of horizontal questions and emphasises that the Fund's resources are not a substitute for funding provided by the Member States for asylum policy.

### Article 5

This article describes the eligible action in the Member States relating to reception conditions and asylum procedures.

## Article 6

This article describes the eligible action in the Member States relating to integration.

## Article 7

This article describes the eligible action in the Member States relating to voluntary returns.

## Article 8

This article describes the action managed direct by the Commission, which may account for up to 10% of the annual allocation. Such action must be of interest to the Community as a whole because of its innovatory or transnational aspects or because it supports legislation and helps to identify best practice in the Community.

## Article 9

This article provides for the possibility of support from the Fund for emergency measures in the event of the introduction of temporary protection measures under Directive 2001/55/EC (mass influx of displaced persons). Emergency measures fall outside the implementation of long-term actions supported by the Fund and are in addition to them. Their function is to meet the basic needs of the people concerned and the immediate requirements of the Member States.

## Article 10

This article determines the Commission's role in implementing the Council decision.

## Article 11

This article specifies the joint and several responsibilities of the Commission and the Member States for implementation and for the cooperation required for shared management within the meaning of Article 53 of the Financial Regulation, tailored to the specific conditions of the European Refugee Fund. In particular, it takes account of Article 35 of the provisions implementing the Financial Regulation concerning prior checks on the management and control systems in the Member States.

## Article 12

This article provides for the establishment of responsible authorities in the Member States charged with administering the budget under the system of shared management. It lays down the minimum conditions such authorities must meet, requires national funding to be provided and specifies the various tasks they must perform.

## Article 13

This article states that the Commission will be assisted by an advisory committee. The choice of this type of committee is consistent with the criteria set out in Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission<sup>6</sup>.

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<sup>6</sup> OJ L 184, 17.7.1999, p.23.

#### Article 14

This article specifies that projects in the Member States will be implemented on the basis of two phases of multiannual programmes (2005-2007 and 2008-2010). This new approach will make it possible to respond to the need for more strategic deployment of the Fund's resources in the service of asylum policy and to introduce significant structural changes in certain Member States and any adjustments that may be necessary as a result of the adoption of the new financial perspectives. The Commission will lay down guidelines and indicative financial allocations before the start of each programming period. The draft programmes will be approved by the Commission after examining them in the light of the Fund objectives and checking that they comply with a number of conditions and the timetable laid down in the article.

#### Article 15

This article provides for the adoption of annual programmes within the multiannual programming period, in order to respect the principle of budgetary annuality. The procedure will be simpler than that in the decision establishing the first phase of the Fund, in that these annual programmes will form part of the multiannual framework.

#### Article 16

This article indicates how the available resources will be divided between the Member States. The distribution system combines an allocation proportional to the number of people received who belong to the target groups and a fixed amount of a more structural nature. The degressive element of this fixed amount that existed in the decision establishing the first phase of the Fund has been abolished. The fixed amount given to the new Member States will be higher during the first three years of the second phase. This formula has proved to be successful in reconciling support for the Member States that receive the most people, the criterion of ratio of number of people to GNP and the objectives of making good structural shortfalls.

#### Article 17

This article lays down the conditions for using annual co-financing for technical and administrative assistance in the Member States.

#### Article 18

This article contains special provisions for implementing emergency measures in the event of temporary protection. Aid for these measures is limited to the emergency period of six months and must not exceed 80% of the cost of each measure. The Member States must inform the Commission about their needs and the measures they intend to introduce. The Commission will divide the available resources between the Member States according to the number of people receiving temporary protection in their territory.

#### Article 19

This article sets out the structure of funding and specifies the form this will take (non-refundable grants) and the principle that measures co-financed are not eligible for funding from other sources covered by the Community budget (such as the European Social Fund, financial support for managing returns, the programme of technical and financial assistance for third countries in the field of migration and asylum). Funding from the Fund is

intended to facilitate the implementation of projects in the Member States by lessening the burden on public finances, not to replace action by the Member States or to allow the Member States to shirk their responsibilities. Under the co-financing arrangement the level of the Fund's financial contribution is accordingly set at a maximum of 50% of the total cost of each specific measure. This proportion may, however, be increased by 10% in the case of special actions or 25% in Member States that are covered by the Cohesion Fund. Unlike the decision on the first phase of the Fund, this article allows for funding for actions lasting one to three years, subject to re-examination of the progress achieved.

#### Article 20

This article specifies the conditions of eligibility applying to expenditure. The Commission will adopt specific implementing provisions under Article 13.

#### Article 21

This article lays down the conditions for the budgetary commitments made by the Commission.

#### Article 22

This article lays down the arrangements and conditions for making payments to the responsible authorities in the Member States.

#### Article 23

This article lays down rules on the declarations of expenditure and the principles of sound financial management to be applied by the responsible authorities in the Member States. It takes account of Article 42(2)(a) of the implementing provisions of the Financial Regulation.

#### Article 24

This article lays down the arrangements and conditions for auditing and financial corrections by the Commission in accordance with the relevant clauses of the Financial Regulation and its implementing provisions.

#### Article 25

This article specifies the arrangements and conditions for auditing and financial corrections by the Commission in accordance with the relevant clauses of the Financial Regulation and under the terms of shared management.

#### Article 26

This article lays down the general principles for the monitoring and evaluation of the Fund by the Member States and the Commission.

#### Article 27

This article lays down the conditions and timetable for the reports to be produced by the Member States and the Commission for the purpose of the monitoring and evaluation of the Fund.

## Article 28

On the assumption that the decision establishing the second phase of the Fund will be adopted in the second half of 2004, this article contains a transitional measure relating to the timetable for the first multiannual programming period 2005-2007. It expressly requires the Member States to designate responsible authorities and sets a deadline for doing so.

## Article 29

On the assumption that the decision establishing the second phase of the Fund will be adopted in the second half of 2004, this article contains a transitional measure relating to the timetable for the first annual programme for 2005. It expressly requires the Member States to provide a description of the management and control systems that will be put in place (Article 35(3) of the provisions implementing the Financial Regulation).

## Article 30

This article provides for a re-examination of the decision after six years.

## Article 31

Addressees

Proposal for a

**COUNCIL DECISION**

**establishing the European Refugee Fund for the period 2005-2010**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 63(2)(b) thereof,

Having regard to the proposal from the Commission<sup>7</sup>,

Having regard to the opinion of the European Parliament<sup>8</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>9</sup>,

Having regard to the opinion of the Committee of the Regions<sup>10</sup>,

Whereas:

- (1) The preparation of a common policy on asylum, including common European arrangements for asylum, is a constituent part of the European Union's objective of gradually creating an area of freedom, security and justice open to those who, forced by circumstances, legitimately seek protection in the European Union.
- (2) Implementation of this policy should be based on solidarity between Member States and requires the existence of mechanisms to promote a balance in the efforts made by Member States in receiving and bearing the consequences of receiving refugees and displaced persons. To that end, a European Refugee Fund was established for the period 2000-2004.
- (3) It is necessary to continue this process and establish a European Refugee Fund for the period 2005-2010 to ensure solidarity between the Member States in the light of new Community asylum legislation and taking account of the experience acquired when implementing the first phase of the Fund for the period 2000-2004.
- (4) It is necessary to support the efforts made by the Member States to grant appropriate reception conditions to refugees and displaced persons and to apply fair and effective asylum procedures so as to protect the rights of persons requiring international protection and enable asylum systems to work smoothly.

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<sup>7</sup> OJ C [...] [...], p. [...]

<sup>8</sup> OJ C [...] [...], p. [...]

<sup>9</sup> OJ C [...] [...], p. [...]

<sup>10</sup> OJ C [...] [...], p. [...]

- (5) The integration of persons enjoying international protection into the society of the country in which they are established is one of the objectives of the Geneva Convention. Such persons must be enabled to share in the values set out in the Charter of Fundamental Rights of the European Union and in the rights and obligations of European citizenship. To this end, there should be support for action by the Member States to promote their social, economic and cultural integration in so far as it contributes to economic and social cohesion, the maintenance and strengthening of which is one of the Community's fundamental objectives provided for by Articles 2 and 3(1)(k) of the Treaty.
- (6) It is in the interests of both the Member States and the persons concerned that refugees and displaced persons who are allowed to stay in the territory of the Member States should be given the opportunity to provide for themselves by working.
- (7) Since measures supported by the Structural Funds and other Community measures in the field of education and vocational training are not in themselves sufficient to promote such integration, support should be given for special measures to enable refugees and displaced persons to benefit fully from the programmes which are organised.
- (8) Practical support is needed to create or improve conditions enabling refugees and displaced persons to take an informed decision to leave the territory of the Member States and return home, should they so wish.
- (9) Practical ways should be found of testing innovatory action and action of Community interest in this field, and exchanges between Member States should be encouraged with a view to identifying and promoting the most effective practices.
- (10) A financial reserve should be established for the implementation of emergency measures to provide temporary protection in the event of a mass influx of refugees pursuant to Council Directive 2001/55/EC on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof.<sup>11</sup>
- (11) With a view to establishing financial solidarity in an effective, relevant and proportionate fashion and taking account of experience acquired when implementing the European Refugee Fund between 2000 and 2004, shared management arrangements should be adopted and the Commission's responsibilities and those of the Member States should be delineated. Appropriate national structures should be designated for that purpose and their duties should be formalised.
- (12) The support provided by the European Refugee Fund will be more efficient and better targeted if co-financing of eligible actions is based on two multiannual strategic intervention programmes and on an annual work programme drawn up by each Member State taking into account its situation and needs, including within the context of the development of the Common European Asylum System.

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<sup>11</sup> OJ L 212, 87.8.2001, p. 12.

- (13) It is fair to allocate resources proportionately to the burden on each Member State by reason of its efforts in receiving refugees and displaced persons.
- (14) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.<sup>12</sup>
- (15) The Member States should provide sufficient guarantees as regards arrangements for implementation and quality of execution, as regards the results of action implementation and assessment and as regards proper financial management and supervision.
- (16) Efficient monitoring is one way of ensuring that the action of the European Refugee Fund is effective. The conditions governing monitoring should be formalised.
- (17) Without prejudice to the Commission's responsibilities for financial control, cooperation between the Member States and the Commission should be established in that regard.
- (18) The responsibility of the Member States for pursuing and correcting irregularities and infringements, and the responsibility of the Commission where the Member States do not comply with their obligations, should be specified.
- (19) The effectiveness and impact of actions supported by the European Refugee Fund also depend on their evaluation. The responsibilities of the Member States and the Commission in this regard, and arrangements to ensure the reliability of evaluation, should be formalised.
- (20) Actions should be evaluated with a view to a mid-term review and impact assessment, and the evaluation process should be incorporated into project monitoring arrangements.
- (21) The objectives of the proposed initiative, namely to demonstrate solidarity between Member States by achieving a balance in the efforts made by those Member States in receiving refugees and displaced persons in the light of developments in Community asylum policy, cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or impact of the initiative, be better achieved by the Community in accordance with the principle of subsidiarity. In accordance with the principle of proportionality, this Decision does not go beyond what is necessary to achieve those objectives.
- (22) In accordance with Articles 1 and 2 of the Protocol on the position of Denmark annexed to the Treaty on European Union and the Treaty establishing the European Community, Denmark is not participating in the adoption of this Decision and is therefore not bound by it nor subject to its application.

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<sup>12</sup> OJ L 184, 17.7.1999, p. 23.

HAS ADOPTED THIS DECISION:

## **CHAPTER I**

### **OBJECTIVES AND TASKS**

#### *Article 1*

#### **Establishment of the European Refugee Fund for the period from 2005 to 2010, and objectives**

1. This Decision establishes the European Refugee Fund (“the Fund”) for the period from 1 January 2005 to 31 December 2010.
2. The purpose of the Fund shall be to support and encourage the efforts made by the Member States in receiving and bearing the consequences of receiving refugees and displaced persons, taking account of Community legislation in these matters by co-financing the actions provided for by this Decision.

#### *Article 2*

#### **Financial provisions**

1. The annual appropriations for the Fund shall be authorised by the budgetary authority within the limits of the financial perspectives.
2. In the context of the budgetary procedure for 2008, the Commission shall indicate, by 1 May 2007 at the latest, whether the amount for 2008-2010 is sufficient for the new financial perspectives. If necessary, the Commission shall take steps in the course of the 2008-2010 budgetary procedures to ensure that the annual appropriations are consistent with the financial perspectives.

#### *Article 3*

#### **Groups targeted by the actions**

For the purposes of this Decision the target groups shall comprise the following categories:

- (1) any third-country nationals or stateless persons having the status defined by the Geneva Convention of 28 July 1951 relating to the Status of Refugees and its 1967 protocol and who are permitted to reside as refugees in one of the Member States;
- (2) any third-country nationals or stateless persons authorised to reside in one of the Member States on the basis that they require international protection within the framework of a resettlement scheme;
- (3) any third-country nationals or stateless persons enjoying a form of subsidiary protection within the meaning of Directive [...];

- (4) any third-country nationals or stateless persons who have applied for one of the forms of protection described in points 1 and 3;
- (5) any third-country nationals or stateless persons enjoying temporary protection within the meaning of Directive 2001/55/EC.

#### *Article 4*

#### **Actions**

1. The Fund shall support actions in Member States relating to:
  - (a) reception conditions and asylum procedures;
  - (b) integration of persons referred to in Article 3 whose stay in the Member State is of a lasting and/or stable nature;
  - (c) voluntary return of persons referred to in Article 3, provided they have not acquired a new nationality and have not left the territory of the Member State.
2. Without prejudice to other secondary legislation adopted subsequently on asylum procedures, eligibility for refugee status, subsidiary protection and long-term resident status, actions provided for by paragraph 1 must, in particular, promote implementation of the provisions of Council Regulations (EC) Nos 2725/2000<sup>13</sup> and 343/2003<sup>14</sup> and Council Directives 2001/55/EC,<sup>15</sup> 2003/9/EC<sup>16</sup> and 2003/86/EC.<sup>17</sup>
3. Actions shall take account of gender-related issues and of the specific needs of the most vulnerable, including persons who have been tortured or subjected to inhuman and degrading treatment and shall give priority to the best interests of children. The actions provided for in paragraph 1(a), (b) and (c) may be carried out on a joint basis.

#### *Article 5*

#### **Eligible national actions relating to reception conditions and asylum procedures**

Actions relating to reception conditions and asylum procedures, and in particular the following, shall be eligible for support from the Fund:

- accommodation infrastructure or services;
- provision of material aid and medical or psychological care;
- social assistance, information or help with administrative formalities;

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<sup>13</sup> OJ L 316, 15.12.2000, p.1.

<sup>14</sup> OJ L 50, 25.2.2003, p.1.

<sup>15</sup> OJ L 212, 7.8.2001, p.12.

<sup>16</sup> OJ L 31, 6.2.2003, p.18.

<sup>17</sup> OJ L 251, 3.10.2003, p.12.

- legal aid and language assistance;
- education, language training, help with finding work;
- improvements to the efficiency and quality of asylum procedures;
- first reception and management facilities in the Member States for persons admitted under resettlement schemes;
- information for the local population in the host country.

#### *Article 6*

#### **Eligible national actions relating to integration**

Actions relating to integration into the society of the Member State of residence of the persons referred to in Article 4(1)(b) and members of their family, and in particular the following, shall be eligible for support from the Fund:

- social assistance in areas such as housing, means of subsistence, medical and psychological care;
- actions enabling recipients to adapt to the society of the Member State, including in socio-cultural terms and to share the values enshrined in the European Union’s Charter of Fundamental Rights and the rights and obligations of European citizenship;
- actions to promote participation in civil and cultural life;
- education, vocational training, recognition of qualifications and diplomas;
- actions designed to enable these persons to provide for themselves;
- actions to promote the integration of these persons involving local authorities, the general public or refugee associations, for example via voluntary work, sponsorship or the participation of socio-economic interest groups or trade unions.

#### *Article 7*

#### **Eligible national actions relating to voluntary return**

Actions relating to voluntary return, and in particular the following, shall be eligible for support from the Fund:

- information and advisory services concerning voluntary return initiatives or programmes;
- information on the situation in the country or region of origin;
- general or vocational training and help with reintegration;

- action by communities of origin resident in the European Union to facilitate the voluntary return of the persons referred to in this Decision.

#### *Article 8*

#### **Community actions**

1. In addition to the projects provided for by Articles 5, 6 and 7, at the Commission's initiative, up to 10% of the Fund's available resources may be used to finance innovatory action or action of interest to the Community as a whole concerning asylum policy and measures applicable to refugees and displaced persons as referred to in paragraph 2.
2. Eligible Community actions essentially concern the following areas:
  - (a) furthering of Community cooperation in implementing Community law and good practices;
  - (b) support for the setting-up of transnational cooperation networks to facilitate exchanges of experience and good practice;
  - (c) support for innovative pilot projects based on transnational partnerships designed to stimulate innovation and improve the quality of asylum policy;
  - (d) support for transnational awareness-raising campaigns for target audiences on European asylum policy and the situation of the persons referred to in Article 3;
  - (e) support for the use of IT and communications technology.

#### *Article 9*

#### **Emergency measures**

1. In the event of temporary protection mechanisms within the meaning of Council Directive 2001/55/EC being implemented, the Fund shall also finance measures to help the Member States which are separate from and in addition to the actions referred to in Article 4.
2. Eligible emergency measures concern the following types of action:
  - (a) reception and accommodation;
  - (b) provision of means of subsistence, including food and clothing;
  - (c) medical, psychological or other assistance;
  - (d) staff and administration costs linked to reception of persons concerned and implementation of measures;
  - (e) logistical and transport costs.

## CHAPTER II

### IMPLEMENTATION AND MANAGEMENT PROVISIONS

#### *Article 10*

##### **Implementation**

The Commission shall be responsible for implementing this Decision and shall adopt such implementing rules as may be necessary.

#### *Article 11*

##### **Respective responsibilities of the Commission and the Member States**

1. The Commission shall:
  - (a) adopt guidelines for the priorities of the multiannual programmes provided for by Article 14 and shall notify the Member States of the indicative financial allocations for the Fund;
  - (b) ensure, as part of its responsibility for executing the general Community budget, that appropriate management and control systems are in place in the Member States and that they operate smoothly, so as to guarantee that Community funds are used properly and effectively. These measures shall include documentary and on-the-spot checks carried out on a prior basis on implementation procedures, control systems, accounting procedures and the procurement and grant allocation procedures followed by the responsible authorities. The Commission shall review procedures or systems whenever substantial changes are made;
  - (c) implement the Community projects provided for by Article 8.
2. The Member States shall:
  - (a) be responsible for implementing national actions supported by the Fund by taking the measures needed for the effective operation of the Fund at national level, and involving all those concerned by asylum policy in accordance with national practice;
  - (b) set up the appropriate structure (Responsible Authority for the European Refugee Fund) to manage national projects supported by the Fund in accordance with the applicable Community legislation and the principle of sound financial management;
  - (c) be responsible in the first instance for financial control of actions and shall ensure that management systems and checks are implemented in such a way as to guarantee that Community funds are used properly

and effectively. They shall provide the Commission with a description of these systems;

- (d) certify that the declarations of expenditure submitted to the Commission are accurate and shall ensure that they result from accounting systems based on verifiable supporting documents
- (e) cooperate with the Commission for the collection of the statistics needed for the implementation of Article 16.

3. In cooperation with the Member States, the Commission shall:

- (a) assume responsibility for disseminating the results of actions undertaken during the 2000-2004 phase of the European Refugee Fund and of those to be implemented in the 2005-2010 phase;
- (b) ensure that appropriate information, publicity and follow-up are provided for actions supported by the Fund;
- (c) ensure that actions are cohesive with, and complementary to, other relevant Community policies, instruments and initiatives.

#### *Article 12*

#### **Responsible authorities**

1. Each Member State shall appoint a responsible authority which shall handle all communication with the Commission. The authority may be the Member State itself, a national public body or a private-law body governed by the law of the Member State and which has a public-service mission. Where the Member State designates a responsible authority other than itself, it shall lay down all the arrangements governing its relations with the said authority and the latter's relations with the Commission.
2. The body designated as the responsible authority shall meet the following minimum conditions. It shall:
  - (a) have legal personality, except where it is a functional body of the Member State;
  - (b) have the infrastructure required for easy communication with a wide range of users and with the responsible bodies in the other Member States and the Commission;
  - (c) work in an administrative context allowing it to carry out its tasks correctly and avoiding any conflict of interest;
  - (d) be in a position to apply Community fund management rules;
  - (e) have financial and management capacities commensurate with the volume of Community funds which it will be called upon to manage;

- (f) have at its disposal personnel with appropriate professional qualifications and language skills for administrative work in an international environment.
3. The Member State shall provide the responsible authority with adequate funding so that it can carry out its tasks properly and uninterruptedly throughout the period 2005-2010.
  4. The responsible authorities' tasks shall include the following:
    - (a) consulting relevant partners (non-governmental organisations, local authorities, competent international organisations, social partners etc.) to establish the multiannual programme;
    - (b) organising and advertising calls for tenders and proposals;
    - (c) organising selection and award procedures for Fund co-financing in accordance with the principles of transparency, equal treatment and non-combination of grants;
    - (d) ensuring consistency and complementarity between co-financing under the Fund and from other relevant national and Community financial instruments;
    - (e) administrative, contractual and financial management of actions;
    - (f) information and advisory activities; dissemination of results;
    - (g) monitoring and evaluation;
    - (h) cooperation and liaison with the Commission and the responsible authorities in the other Member States.
  5. The responsible authorities' management activities for projects implemented in the Member States can be financed under the technical and administrative assistance arrangements referred to in Article 17.
  6. The Commission, acting in accordance with the procedure provided for by Article 13(2), shall adopt rules concerning the Member States' management and control systems, including rules for the administrative and financial management of national projects co-financed by the Fund.

### *Article 13*

#### **Committee**

1. The Commission shall be assisted by a Committee.
2. Where reference is made to this paragraph, Articles 3 and 7 of Decision 1999/468/EC shall apply.
3. The Committee shall adopt its rules of procedure.

## **CHAPTER III**

### **PROGRAMMES**

#### *Article 14*

##### **Multiannual programmes**

1. Actions in the Member States shall be implemented on the basis of two multiannual programme phases, each lasting three years (2005-2007 and 2008-2010).
2. For each programme phase, on the basis of guidelines for the priorities of the multiannual programmes and indicative financial allocations provided by the Commission and provided for by Article 11(1), each Member State shall propose a draft multiannual programme which includes the following elements:
  - (a) description of the current situation in the Member State as regards arrangements for reception, asylum procedures, integration and voluntary repatriation of the groups covered by Article 3;
  - (b) analysis of requirements in the Member State in question in terms of reception, asylum procedures, integration and voluntary repatriation and an indication of operational objectives designed to meet these requirements during the period covered by the programme;
  - (c) presentation of an appropriate strategy to achieve these objectives and the priority attached to their attainment, taking account of the consultation of the relevant partners provided for in Article 12(4), and a brief description of the actions envisaged to implement the priorities;
  - (d) indication of whether this strategy is compatible with other regional, national and Community instruments;
  - (e) a draft financing plan which sets out, for each priority and each year, the Fund's proposed financial contribution and the overall amount of public or private co-financing.
3. The Member States shall submit their draft multiannual programme no more than four months after the Commission has provided the guidelines and indicative financial allocations for the period in question.
4. The Commission, acting in accordance with the procedure provided for by Article 13(2), shall approve the multiannual programmes within three months of receiving them after examining the requests in the light of the recommendations in the guidelines.

#### *Article 15*

##### **Annual programmes**

1. The multiannual programmes approved by the Commission shall be implemented by means of annual work programmes.
2. The Commission shall provide the Member States, no later than 1 July each year, with an estimate of the amounts to be allocated to them for the following year from the total appropriations allocated under the annual budgetary procedure, calculated as provided by Article 16.
3. The Member States shall submit to the Commission, no later than 1 November each year, a draft annual programme for the following year, drawn up in accordance with the approved multiannual programme and including:
  - (a) the general rules for selection of projects to be financed under the annual programme;
  - (b) a description of the tasks to be carried out by the responsible authority when implementing the annual programme;
  - (c) the proposed financial breakdown of the Fund's contribution between the programme's various actions and an indication of the amount requested to cover technical and administrative assistance under Article 17 for the purpose of implementing the annual programme.
4. When examining the Member State's proposal, the Commission shall take account of the final amount of the appropriations allocated to the Fund under the budgetary procedure and shall adopt the decision on co-financing from the Fund no later than 1 March of the year in question. The decision shall indicate the amount allocated to the Member State and the period for which the expenditure is eligible.

#### *Article 16*

#### **Annual breakdown of resources for actions in the Member States provided for by Articles 5, 6 and 7**

1. Each Member State shall receive a fixed amount of €300.000 from the Fund's annual allocation. This amount shall be fixed at €500.000 per annum for 2005, 2006 and 2007 for the states which accede to the European Union on 1 May 2004.
2. The remainder of the available annual resources shall be broken down between the Member States as follows:
  - (a) 35 % in proportion to the number of persons admitted in one of the categories referred to in Article 3(1), (2) and (3) over the previous three years;
  - (b) 65 % in proportion to the number of persons referred to in Article 3(4) and (5) registered over the previous three years.
3. The reference figures are the latest statistics produced by the Statistical Office of the European Communities in accordance with Community law on the collection and analysis of asylum data.

### *Article 17*

#### **Technical and administrative assistance**

Part of the annual co-financing allocated to a Member State may be set aside to cover expenditure on technical and administrative assistance for preparation, monitoring and evaluation of actions.

The annual amount set aside for technical and administrative assistance may not exceed 5% of the total annual co-financing allocated to a Member State, plus €30.000.

### *Article 18*

#### **Special provisions concerning emergency measures**

1. The Member States shall provide the Commission with a statement of requirements and an implementation plan for the emergency measures provided for by Article 9, including a description of the planned measures and the bodies responsible for implementing them.
2. Financial assistance from the Fund for the emergency measures provided for by Article 9 shall be limited to a period of six months and shall not exceed 80 % of the cost of each measure.
3. Available resources shall be distributed among the Member States on the basis of the number of persons benefiting from temporary protection in each Member State as referred to in Article 9(1).
4. Articles 19(1) and (2), 20 and 22 to 25 shall apply.

## **CHAPTER IV**

### **FINANCIAL MANAGEMENT AND SUPERVISION**

#### *Article 19*

##### **Financing structure**

1. The Fund's financial participation shall take the form of non-refundable grants.
2. Actions co-financed by the Fund shall not be eligible for funding from other sources covered by the Community budget.
3. Fund appropriations shall be complementary to public or equivalent expenditure allocated by the Member States to the measures covered by this Decision.
4. The Community contribution to supported projects shall not exceed:
  - (a) as regards actions implemented in the Member States under Articles 5, 6 and 7, 50% of the total cost of a specific action. This may be increased to 60% for

particularly innovative actions or actions carried out by transnational partnerships, and to 75% in the Member States covered by the Cohesion Fund;

- (b) as regards calls for proposals within the framework of Community actions under Article 8, 80% of the total cost of a specific action.
5. As a general rule, Community financial aid granted for actions supported by the Fund shall be given for a period of no more than three years, subject to periodic progress reports.

#### *Article 20*

##### **Eligibility**

1. Expenditure shall correspond to the payments effected by the final grant recipients. It shall be justified by receipted invoices or accounting documents of equivalent status.
2. Expenditure may be considered eligible for support from the Fund only if it is actually paid no earlier than 1 January of the year referred to in the Commission decision on co-financing indicated in Article 15(4).
3. The Commission, acting in accordance with the procedure provided for by Article 13(2), shall adopt the rules governing eligibility of expenditure within the framework of actions implemented in the Member States under Articles 5, 6 and 7 and co-financed by the Fund.

#### *Article 21*

##### **Commitments**

Community budgetary commitments shall be made annually on the basis of the Commission decision on co-financing referred to in Article 15(4).

#### *Article 22*

##### **Payments**

1. The contribution from the Fund shall be paid by the Commission to the responsible authority in accordance with budgetary commitments.
2. A pre-financing payment representing 50% of the amount allocated in the Commission's annual decision on co-financing by the Fund shall be made to the Member State within sixty days following the adoption of the co-financing decision.
3. A second pre-financing payment shall be made no more than three months after the Commission has approved a report on implementation of the annual work programme and a declaration of expenditure accounting for at least 70% of the amount of the initial payment. The amount of the second pre-financing payment made by the Commission shall not exceed 50% of the total amount allocated by the co-financing decision or, in any event, the balance of the amount of Community

funds actually committed by the Member State for selected projects under the annual programme minus the first pre-financing payment.

4. Payment of the balance shall be made no more than three months after the Commission has approved the annual programme's final implementation report and the final declaration of expenditure provided for by Articles 23(3) and 27(2); failing that, a request for reimbursement of amounts released under the initial or second payments in excess of the final expenditure approved for the Fund shall be issued within that deadline.

#### *Article 23*

#### **Declarations of expenditure**

1. For all expenditure which it declares to the Commission, the responsible authority shall provide assurance that the national implementation programmes are managed in accordance with the applicable Community regulations and that the funds are used in accordance with the principle of sound financial management.
2. Declarations of expenditure shall be certified by a service or body operationally independent of the responsible authority.
3. Within nine months of the deadline laid down in the co-financing decision whereby expenditure must be effected, the responsible authority shall forward a final declaration of expenditure to the Commission. Failing that, the Commission shall automatically terminate the programme and release the relevant appropriations.

#### *Article 24*

#### **Audit of accounts and financial corrections by the Member States**

1. Without prejudice to the Commission's responsibilities for implementing the general budget of the European Communities, the Member States shall be take responsibility in the first instance for financial control of actions. To that end, the measures they take shall include:
  - (a) organising, on the basis of an appropriate sample, checks on actions covering at least 10% of the total eligible expenditure for each annual implementing programme and on a representative sample of approved actions. Member States shall ensure an appropriate separation between checks and implementation or payment procedures concerning actions;
  - (b) preventing, detecting and prosecuting irregularities, notifying the Commission of them in accordance with the rules and keeping the Commission informed of the progress of administrative and judicial proceedings;
  - (c) cooperating with the Commission to ensure that Community funds are used in accordance with the principle of sound financial management.

2. The Member States shall make the financial corrections required where an irregularity is ascertained, having regard to whether it is an individual or a systemic case. The corrections made by the Member State shall consist in cancelling all or part of the Community contribution, and, where the amount is not repaid in the time allowed by the relevant Member State, default interest shall be due at the rate provided for by Article 25(4).
3. The Commission, acting in accordance with the procedure provided for by Article 13(2), shall adopt the rules and procedures for financial corrections made by the Member States in connection with projects implemented in the Member States under Articles 5, 6 and 7 and co-financed by the Fund.

#### *Article 25*

##### **Audit of accounts and financial corrections by the Commission**

1. Without prejudice to the powers of the Court of Auditors or the checks carried out by the Member States in accordance with national laws, regulations and administrative provisions, Commission officials or servants may carry out on-the-spot checks, including sample checks, on the operations financed by the Fund and on management and control systems with a minimum of one working day's notice. The Commission shall give notice to the Member State concerned with a view to obtaining all the assistance necessary. Officials or servants of the Member State concerned may take part in such checks.

The Commission may require the Member State concerned to carry out an on-the-spot check to verify the correctness of one or more transactions. Commission officials or servants may take part in such checks.

2. If, after completing the necessary verifications, the Commission concludes that a Member State is not complying with its obligations under Article 24, it shall suspend the pre-financing or final payment relating to co-financing from the Fund for the relevant annual programmes in the following situations:
  - (a) a Member State is not implementing the actions as agreed in the co-financing decision, or;
  - (b) all or part of an action justifies neither part nor the whole of the co-financing from the Fund;
  - (c) there are serious deficiencies in management and control systems that could give rise to systemic irregularities.

In those cases, the Commission shall, stating its reasons, request that the Member State submit its comments and, where appropriate, carry out any corrections within a specified period of time.

3. At the end of the period set by the Commission, the Commission may, if no agreement has been reached and the Member State has not made the corrections and taking account of any comments made by the Member State, decide within three months to:

- (a) reduce the pre-financing or final payments, or
- (b) make the financial corrections required by cancelling all or part of the contribution of the Fund to the actions in question.

In the absence of a decision to do either (a) or (b) the interim or final payments shall immediately cease to be suspended.

4. Any sum received unduly or to be recovered shall be repaid to the Commission. If the amount owed has not been repaid by the deadline set by the Commission, it shall bear interest at the rate applied by the European Central Bank to its principal refinancing operations in euros, plus three and a half points. The reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union.
5. The Commission, acting in accordance with the procedure provided for by Article 13(2), shall adopt rules and procedures for financial corrections made by the Commission in connection with projects implemented in the Member States under Articles 5, 6 and 7 and co-financed by the Fund.

## **CHAPTER V**

### **MONITORING, EVALUATION AND REPORTS**

#### *Article 26*

##### **Monitoring and evaluation**

1. The Commission shall carry out regular monitoring on the Fund in cooperation with the Member States.
2. The Fund shall be evaluated regularly by the Commission in partnership with the Member States to assess the relevance, effectiveness and impact of actions in the light of the objectives referred to in Article 1. It shall also look at complementarity between the actions implemented under the Fund and those pursued under other relevant Community policies, instruments and initiatives.

#### *Article 27*

##### **Reports**

1. In each Member State the responsible authority shall take the necessary measures to ensure project monitoring and evaluation.

To that end, the agreements and contracts it concludes with the organisations responsible for action implementation shall include clauses laying down an obligation to submit regular and detailed reports on the state of progress of implementation and completion of the assigned objectives.

2. No more than nine months after the eligibility deadline for expenditure laid down in the co-financing decision for each annual programme, the responsible authority shall submit a final implementation report and a final declaration of expenditure to the Commission as provided by Article 23(3).
3. The Member States shall submit to the Commission:
  - (a) no later than 31 December 2006, an evaluation report on the implementation of actions co-financed by the Fund;
  - (b) no later than 30 June 2009 and 30 June 2012 respectively, an evaluation report on the results and impact of actions co-financed by the Fund.
4. The Commission shall submit to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions:
  - (a) no later than 30 April 2007, an intermediate report on the results achieved and on qualitative and quantitative aspects of implementation of the Fund, together with any proposed amendments;
  - (b) no later than 31 December 2009, an intermediate evaluation report and a proposal on the Fund's future development;
  - (c) no later than 31 December 2012, an ex post evaluation report.

## **CHAPTER VI**

### **TRANSITIONAL PROVISIONS**

#### *Article 28*

##### **2005-2007 multiannual programme**

By way of derogation from Article 14, the following timetable shall apply for implementation of the multiannual programme for the period 2005-2007:

- (a) no later than 31 January 2005, the Commission shall notify the Member States of planning guidelines and shall provide an indication of the financial amounts allocated to them;
- (b) no later than 15 March 2005, the Member States shall designate the national responsible authority referred to in Article 12 and shall submit the proposal for a multiannual programme for the period 2005-2007 referred to in Article 14;
- (c) the Commission, acting in accordance with the procedure provided for by Article 13(2), shall approve the multiannual programmes no more than two months after the proposal for a multiannual programme has been received.

*Article 29*

**2005 annual programme**

By way of derogation from Article 15, the following timetable shall apply for implementation of the financial year 2005:

- (a) by 31 January 2005 at the latest, the Commission shall provide the Member States with an estimate of the amounts allocated to them;
- (b) the Member States shall present the proposal for an annual programme referred to in Article 15 to the Commission by 1 June 2005 at the latest; the proposal shall be accompanied by details of the management systems and checks which will be implemented with a view to ensuring that Community funds are used properly and effectively;
- (c) the Commission shall adopt co-financing decisions no more than two months after the draft annual programme has been presented, following verification of the aspects indicated in Article 11(1)(b).

Expenditure actually disbursed between 1 January 2005 and that date on which the co-financing decisions are adopted may qualify for support from the Fund.

**CHAPTER VII**

**FINAL PROVISIONS**

*Article 30*

**Review**

The Council shall review this Decision on the basis of a proposal from the Commission by 31 December 2010 at the latest.

*Article 31*

**Addressees**

This Decision is addressed to the Member States.

Done at Brussels,

*For the Council*  
*The President*

## FINANCIAL STATEMENT

### LEGISLATIVE FINANCIAL STATEMENT

**Policy area(s): Justice and home affairs**

**Activit(y/ies): Common immigration and asylum policies**

**TITLE OF ACTION: EUROPEAN REFUGEE FUND**

#### 1. BUDGET LINE(S) + HEADING(S)

18 03 03 - European Refugee Fund

18 03 04 - Emergency measures in the event of mass influxes of refugees

18 01 04 02 - European Refugee Fund - Expenditure on administrative management

18 01 04 03 - Emergency measures in the event of mass influxes of refugees - Expenditure on administrative management

#### 2. OVERALL FIGURES

**2.1. Total allocation for action (Part B): €670.090 million for commitment** (Appropriations for 2007-2010 are given on an indicative basis and will have to remain within the post-2006 financial perspectives).

#### 2.2. Period of application:

2005-2010

#### 2.3. Overall multiannual estimate of expenditure:

(a) Schedule of commitment appropriations/payment appropriations (financial intervention)  
(see point 6.1.1)

Line 18 03 03 – European Refugee Fund

(€ million to three decimal places)

	2005	2006	2007	2008	2009	2010	2011 and subs. years	Total
Commitments	44.538	49.542	60.000	150.000	150.000	150.000		604.080
Payments	22.269	47.040	54.771	105.000	150.000	150.000	75.000	604.080

Line 18 03 04 – Emergency measures in the event of mass influxes of refugees (token entry)

(€ million to three decimal places)

	2005	2006	2007	2008	2009	2010	2011 and subs. years	Total
Commitments	9.000	9.000	9.800	9.800	9.800	9.800		57.200
Payments	7.200	9.000	9.640	9.800	9.800	9.800	1.960	57.200

b) Technical and administrative assistance and support expenditure (see point 6.1.2)

18 01 04 02 - European Refugee Fund - Expenditure on administrative management

€ million to three decimal places)

	2005	2006	2007	2008	2009	2010	2011 and subs. years	Total
Commitments	0.750	0.900	1.300	1.600	1.500	1.600		7.650
Payments	0.750	0.900	1.300	1.600	1.500	1.600	0.000	7.650

18 01 04 03 - Emergency measures in the event of mass influxes of refugees - Expenditure on administrative management (token entry)

(€ million to three decimal places)

	2005	2006	2007	2008	2009	2010	2011 and subs. years	Total
Commitments	0.180	0.180	0.200	0.200	0.200	0.200		1.160
Payments	0.180	0.180	0.200	0.200	0.200	0.200	0.000	1.160

(€ million to three decimal places)

<b>Subtotal a + b</b>	2005	2006	2007	2008	2009	2010	2011 and subs. years	Total
Commitments	54.468	59.622	71.300	161.600	161.500	161.600		670.090
Payments	30.399	57.120	65.911	116.600	161.500	161.600	76.960	670.090

c) Overall financial impact of human resources and other administrative expenditure (see points 7.2 and 7.3)

	2005	2006	2007	2008	2009	2010	2011 and subs. years	Total
Commitments/ payments	2.046	2.386	2.727	3.409	3.409	3.409		17.387

TOTAL a+b+c	2005	2006	2007	2008	2009	2010	2011 and subs. years	Total
Commitments	56.51	62.01	74.03	165.01	164.91	165.01		687.48
Payments	32.44	59.51	68.64	120.01	164.91	165.01	76.96	687.48

#### 2.4 Compatibility with financial programming and financial perspective

Proposal is compatible with existing financial programming in respect of appropriations for 2004-2006. The appropriations for 2007-2010 are given by way of indication and will have to be compatible with the financial programming drawn up in the framework of the post-2006 financial perspectives.

Proposal will entail reprogramming of the relevant heading in the financial perspectives.

Proposal may require application of the provisions of the Interinstitutional Agreement.

#### 2.5 Financial impact on revenue

Proposal has no financial implications (involves technical aspects regarding implementation of a measure).

OR

Proposal has financial impact – the effect on revenue is as follows:

### 3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
Non-comp	Diff	NO	NO	NO	No 3

#### 4. LEGAL BASIS

*Proposal for a Council Decision establishing the European Refugee Fund for the period 2005-2010; Article 63(2)(b) of the EC Treaty.*

#### 5. DESCRIPTION AND GROUNDS

##### 5.1 Need for Community intervention

###### 5.1.1 Objectives pursued

Implementation of a common asylum policy, as provided for in Article 63 of the Treaty establishing the European Community, includes measures aimed at “promoting a balance of effort between Member States in receiving and bearing the consequences of receiving refugees and displaced persons”.

Accordingly, the European Refugee Fund — the first phase of which (2000-2004) was set in motion in September 2000 — is a mechanism providing financial support for action by the Member States in favour of asylum seekers and refugees or persons enjoying or requesting subsidiary or temporary protection. Member States benefit from the mechanism relative to the burden they have to assume (i.e. in particular the number of persons in the above situations).

In line with the provisions of the Treaty, the purpose of the ERF for 2005-2010 is to express solidarity between the Community and the Member States in the reception of asylum-seekers (between 350.000 and 400.000 each year), the integration of people enjoying international protection in the EU (between 50.000 and 100.000 each year), and actions in favour of the voluntary return of people enjoying protection or rejected asylum-seekers (between 50% and 80%), at a time when Community asylum legislation and enlargement are about to generate far-reaching structural changes. Implementation of the second phase of the Fund will have to go hand-in-hand with pursuit of the objectives laid down in Community legislation on defining a common asylum policy (Directive on standards for the reception of asylum seekers,<sup>18</sup> “Dublin II” Regulation,<sup>19</sup> Directives on asylum procedures<sup>20</sup> and on the qualification and status of refugees and subsidiary protection<sup>21</sup>), and, at a later stage, the goal of a common European asylum system. In this context, the Fund, in compliance with the subsidiarity and additionality principles, should enable measures to be developed in the Member States to improve the situation of individuals and enhance the effectiveness of arrangements for receiving asylum seekers and persons seeking protection on European Union territory and for integrating persons enjoying a form

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<sup>18</sup> Council Directive 2003/9/EC of 27 January 2003 laying down minimum standards for the reception of asylum seekers, OJ L 31, 6.2.2003, p.18.

<sup>19</sup> Council Regulation (EC) No 343/2003 of 18 February 2003 establishing the criteria and mechanisms for determining the Member State responsible for examining an asylum application lodged in one of the Member States by a third-country national, OJ L 50, 25.2.2003, p.1.

<sup>20</sup> Amended proposal for a Council Directive on minimum standards on procedures in Member States for granting and withdrawing refugee, COM(2002)326 Final, OJ C 291, 26.11.2002, p. 143.

<sup>21</sup> Proposal for a Council Directive on minimum standards for the qualification and status of third country nationals and stateless persons as refugees or as persons who otherwise need international protection, COM(2001)510 Final, OJ C 51 E, 26.2.2002, p. 325.

of international protection, and measures to encourage the voluntary return of such persons.

In the light of experience arising from the conflict in the former Yugoslavia and Kosovo in the 1990s, there is a need to establish an emergency support mechanism to deal with any mass influx of displaced persons in order to offer them effective and humane reception arrangements, in conjunction with the relevant Community legislation.<sup>22</sup>

#### 5.1.2 *Measures taken in connection with ex ante evaluation and measures taken following ex post evaluation.*

This proposal for a Decision establishing the second phase of the Fund has been drawn up after a detailed impact study, which was based on the results of the mid-term review of the first phase of the Fund, carried out in 2003, and on public consultations at the conference organised by the Commission on 30 and 31 October 2003 and attended by over 350 participants from the 15 Member States and the 10 accession countries who are involved in asylum policy (representatives of national government departments, NGOs, regional and local authorities, refugees' organisations). A specific questionnaire was also sent to organisations working in the reception, integration and voluntary return of Fund target groups, and to national government departments in charge of managing Fund action at national level.

The findings of the detailed impact study confirmed a number of assumptions made during the first phase of the Fund:

- the criteria for distributing funds among the Member States, based on objective factors reflecting the responsibilities they have to bear (number of persons registered in their territory over the last three years who enjoy or are requesting a form of international protection), combined with a corrective mechanism (a fixed amount) to take into account factors such as the relative burden (e.g. in relation to a Member State's population, its wealth, the degree of development of its national asylum system);
- the validity and cost-effectiveness of a management method in which a number of tasks are delegated to Member States: evaluation of priorities for action together with an evaluation of needs at national level, selection of projects for support, financial management of subsidies granted to projects;
- the validity of the groups targeted by the action and of the wider measures framing that action: reception (including access to and the effectiveness of the procedure for examining asylum requests), integration of persons under protection in the Member State's society, measures to facilitate the voluntary return of asylum seekers (including those rejected) and refugees.

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<sup>22</sup> Council Directive 2001/55/EC of 20 July 2001 on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences, OJ L 212, 7.8.2001, p.12.

Based on the findings of the mid-term review, a number of guidelines or proposals have been drawn up to improve the efficiency, effectiveness and viability of the financial instrument:

- First, a substantial increase in the budget, which would turn the instrument into something more than a “symbolic” expression of Community solidarity, yield significant results and have a strong impact not only on target groups, but also on the systems themselves. Such an increase is warranted both by the trend in the number of asylum seekers (average annual increase of 13% between 1998 and 2002) and by the Fund’s role in supporting the implementation of a genuine common asylum policy (e.g. minimum standards regarding reception, asylum procedures, rights and entitlements of people enjoying protection and organised voluntary returns). The increase in the funds set aside for the ERF should help to improve the situation of people seeking or enjoying international protection, having regard to patterns in the flows of such people and aiming to cover the immediate needs arising from them. According to the findings of the mid-term review, actions under the first phase of the ERF reached out to about 15% of the target population for reception, 10% for integration and 3% for returns. The second phase of the ERF is to have the objective of reaching out to a wider population averaging around 30%. The proposed increase in appropriations should also help to raise the quality and sustainability of systems and structures in terms of the common standards. The mid-term review highlighted the fact that the impact on systems and structures is substantial where the ERF’s allocations added more than 10% to national funds for financing asylum. But it must be borne in mind that there are differences in the structural development of asylum systems between the Member States. The investment needed for reinforcing reception capacities and systems in the new Member States in connection with the implementation of the new Community asylum legislation, which can be expected to generate new flows for them, will have to be supported by the ERF. And the evaluation of the requisite resources will also have to be based on the improvement of the ERF’s programming and management modes with the objective of maximising the ERF’s efficiency and efficacy. The Commission accordingly considers that a gradual rise in the appropriations to €150 million annual from 2008 would make it reasonable possible to attain the objectives of solidarity and complementarity and implement Community asylum rules.

- More strategic programming of Fund operations, with the Commission being given a bigger leadership role and account being taken of the legislative framework adopted by the Community on asylum policy.

- The need to include in the criteria for distributing funds among the Member States not only the target population, but also the fact that the new Member States in particular must make structural investments to guarantee the effectiveness of national asylum systems. The mid-term review included an analysis of the breakdown between expenditure earmarked for strengthening structures and systems and expenditure earmarked for support for individuals. It emerged that the latter predominates, with the attendant risk of breakdowns and increased instability, particularly in relation to reception and integration. Given the situation in the new Member States, it is clear that support for systems and structures must be a priority in the new Fund – but this type of expenditure requires more substantial funding than support for individuals.

- Programming and action lifecycles that yield more useful and viable results through multiannual strategies based on a consultation process (between national partners and between the Member States and the Commission), so that structural actions can be financed, also on a multiannual basis. This conclusion in the mid-term review emerged from consultation of the main partners involved in action implementation and was confirmed by the detailed impact study, as described above.

- The mid-term review also looked at Community action under the present Fund. Although it identified a number of improvements that could be made, it also acknowledged the utility and value-added of this type of action. Greater emphasis will therefore be placed on the transnational dimension and on Community value-added through information systems and arrangements for sharing experience and best practice at Community level and increased support for innovatory transnational projects. Such projects should benefit from a longer duration (see above), but will have to be accompanied by measures designed to disseminate the results and bring them into the mainstream.

- The delegation of management tasks to Member States, backed up by increased support at Community level (a common financial and administrative framework and common management tools), as a guarantee that the instrument is implemented in accordance with the principle of sound financial management, while providing a more favourable environment for projects to be put into action. This recommendation emerges clearly from the mid-term review, where, despite some criticisms of slow and cumbersome procedures, there was a unanimous call for a more proactive approach by the Community.

## **5.2 Actions envisaged and budget intervention arrangements**

The European Refugee Fund translates into practice the principle of solidarity and burden-sharing between the Community and the Member States in establishing a common asylum policy and, in time, a common asylum system.

Accordingly, 90% of the funds allocated will be distributed among the Member States, taking as a basis a certain fixed amount and the number of persons belonging to the target group who were registered on the territory of the Member State over the previous three years. The Member States will draw up a strategic programming framework for the action to be financed from the Fund for a three-year period. However, to allow for the budget principle of annuality and to adapt the breakdown of funds to the (sometimes rapidly) changing situation in each Member State, the actual distribution of funds will take place annually on the basis of the resources allocated in the budget procedure. This annual allocation will form the basis for national annual implementing programmes.

The remaining 10% of funds will be reserved for implementation at Community level of action to improve communication and foster joint discussion on Fund activities through meetings of experts, the sharing of experiences and implementation of innovatory transnational projects.

The following have been identified as beneficiaries of action under the European Refugee Fund:

- Final beneficiaries: asylum seekers (around 375.000 registered each year in the EU-15), persons allowed refugee status, including through resettlement schemes, and persons allowed

access to a form of subsidiary or temporary protection (around 30.000 admitted each year in the EU-15). Consideration must also be given to the special requirements of particularly vulnerable persons (e.g. unaccompanied minors, single mothers, the elderly, the disabled, victims of torture or degrading treatment).

- Intermediate beneficiaries: services in the Member States responsible for establishing reception, integration and voluntary return arrangements, including services responsible for asylum procedures, and staff working for NGOs and regional/local authorities involved in establishing reception (including procedures), integration and voluntary return arrangements.

Action financed from the Fund must be geared to improving conditions for the reception, integration and voluntary return of final beneficiaries, in accordance with the minimum standards laid down by Community legislation, improving the capacity of Member States' systems and fostering partnerships between the different players (central government services, local authorities, NGOs and refugee groups). Community action must be aimed at pooling and exchanging information and sharing and transferring best practice (including standards that are higher than the minimum laid down in Community rules).

Action financed from the Fund will take the form of subsidies granted in accordance with the rules on calls for proposals or public procurement procedures and must be consistent with the strategic and operational objectives laid down in the multiannual programming framework and annual programmes.

The Community contribution to actions may not exceed:

- in the case of action implemented in the Member States, 50% of the total cost of a specific actions; this ceiling may rise to 60% for actions that are particularly innovative or involve transnational partnerships and to 75% in Member States receiving assistance from the Cohesion Fund;

- in the case of calls for proposals in connection with Community action, 80% of the total cost of a specific project.

As a rule, Community financial assistance may be granted for projects under the Fund for a maximum of three years, subject to a periodic review of progress made.

### **5.3 Methods of implementation**

In the first phase of the Fund (2000-2004 — Council Decision 2000/596/EC), management was shared with the Member States. Given the current diversity of asylum systems in the Member States and the need to support initiatives likely to yield results and have an impact on the circumstances of individuals in the Member States and on reception, integration and voluntary return arrangements, there is still a case for delegating to Member States certain management tasks — including budget implementation — in the second phase. The substantial increase in Fund resources proposed for the second phase also justifies maintaining this system of delegation.

Taking into account the results of the first phase, the calls for a bigger role for the Commission, particularly in terms of planning and the pooling of information, and the entry into force of more detailed financial rules on how tasks of public authority may be delegated to institutions or outside bodies (Financial Regulation and implementing rules), the option chosen for the second phase of the Fund is a system of “shared” management with management tasks being delegated to the Member States, which will designate — for the

management of action under the Fund — national public-sector bodies or bodies governed by private law that are entrusted with a public service mission and provide adequate financial guarantees and meet the conditions laid down in the implementing rules (authorities responsible for the Fund). The amount granted by way of technical assistance will be increased and will consist of a fixed amount (€30.000) plus a variable element equivalent to no more than 5% of the annual allocation granted to the Member State. This amount will be earmarked to cover all or part of the expenditure relating to the organisation of calls for proposals, project selection, the administrative, contract and financial management of projects, publicity and information, follow-up and evaluation, and first-level inspections and audits. The Commission will also draw up common rules on administrative and financial management and develop common management tools.

This management structure responds to a number of concerns:

- the demand for cost-effectiveness (particularly because of the need to match national programmes to requirements identified in national asylum arrangements and the importance of providing the target group and grant recipients with access to information and management procedures in their own language);
- the policy of seeking greater Commission control over implementation of the Fund in strategic and operational terms;
- the difficulties pointed out by some Member States during the first phase, i.e. that the constraints arising from the “shared” management method were disproportionate to the “gains” from Community intervention, and the request that the national government departments in charge of managing the Fund be given more refined common management tools (particularly in the new Member States).

In this context the delegation of management tasks — including financial management tasks — to Member States via the authorities responsible for the Fund will simplify the management framework and be accompanied by greater consistency and better interoperability between management systems and information systems.

The Commission will manage “Community action” on a centralised basis, in accordance with the applicable rules (on public procurement, calls for proposals).

## 6. FINANCIAL IMPACT

### 6.1 Total financial impact on Part B - (over the entire programming period)

#### 6.1.1 Financial intervention

Line 18 03 03 – European Refugee Fund

(in € million to three decimal places)

Breakdown	2005	2006	2007	2008	2009	2010	Total
Community action	4.454	4.954	6.000	15.000	15.000	15.000	60.408
Action in the Member States	40.084	44.588	54.000	135.000	135.000	135.000	135.000
- of which technical assistance (maximum)	2.724	2.949	3.420	7.470	7.470	7.470	31.504
- of which action on reception and asylum procedures	18.680	20.819	25.290	63.765	63.765	63.765	256.084
- of which action on integration	9.340	10.410	12.645	31.883	31.883	31.883	128.042
- of which action on voluntary return	9.340	10.410	12.645	31.883	31.883	31.883	128.042
<b>TOTAL</b>	<b>44.538</b>	<b>49.542</b>	<b>60.000</b>	<b>150.000</b>	<b>150.000</b>	<b>150.000</b>	<b>604.080</b>

Line 18 03 04 – Emergency measures in the event of mass influxes of refugees (token entry)

(in € million to three decimal places)

Breakdown	2005	2006	2007	2008	2009	2010	Total
Technical assistance to Member States (maximum)	1.170	1.170	1.210	1.210	1.210	1.210	7.180
Emergency measures in the event of implementation of temporary protection arrangements (mass influx of refugees and displaced persons)	7.830	7.830	8.590	8.590	8.590	8.590	50.020
<b>TOTAL</b>	<b>9.000</b>	<b>9.000</b>	<b>9.800</b>	<b>9.800</b>	<b>9.800</b>	<b>9.800</b>	<b>57.200</b>

6.1.2 Technical and administrative assistance, support expenditure and IT expenditure  
(commitment appropriations)

18 01 04 02 – European Refugee Fund – Expenditure on administrative management

(in € million to three decimal places)

	2005	2006	2007	2008	2009	2010	Total
1) Technical and administrative assistance:							
a) Technical assistance offices							
b) Other technical and administrative assistance:	0.600	0.550	0.750	0.950	0.950	0.950	4.750
- intra-muros: asylum statistics	0.200	0.200	0.250	0.250	0.250	0.250	1.400
- extra-muros: exchange of information, thematic meetings, website projects, computerised administrative and financial management system in national authorities responsible of which for construction and maintenance of computerised management systems:	0.400	0.350	0.500	0.700	0.700	0.700	3.350
	0.200	0.150	0.200	0.300	0.300	0.300	1.450
Subtotal 1	0.600	0.550	0.750	0.950	0.950	0.950	4.750
2) Support expenditure:							
a) Studies (incl. evaluation)	0.100	0.300	0.300	0.600	0.300	0.600	2.200
b) Meetings of experts	0.050	0.050	0.050	0.050	0.050	0.050	0.300
c) Information and publications	0	0	0.200	0	0.200	0	0.400
Subtotal 2	1.150	0.350	0.550	0.650	0.550	0.650	2.900
<b>TOTAL</b>	0.750	0.900	1.300	1.600	1.500	1.600	7.650

18 01 04 03 - Emergency measures in the event of mass influxes of refugees - Expenditure on administrative management (token entry)

(in € million to three decimal places)

	2005	2006	2007	2008	2009	2010	Total
1) Technical and administrative assistance:							
a) Technical assistance offices							
b) Other technical and administrative assistance:	0.100	0.100	0.110	0.110	0.110	0.110	0.640
- intra-muros: asylum statistics	0.050	0.050	0.050	0.050	0.050	0.050	0.300
- extra-muros: exchange of information, thematic meetings, website projects, computerised administrative and financial management system in national authorities responsible	0.050	0.050	0.060	0.060	0.060	0.060	0.340
<i>of which for construction and maintenance of computerised management systems:</i>	0.050	0.050	0.060	0.100	0.060	0.060	0.340
<i>Subtotal 1</i>	<i>0.100</i>	<i>0.100</i>	<i>0.110</i>	<i>0.110</i>	<i>0.110</i>	<i>0.110</i>	<i>0.640</i>
2) Support expenditure:							
a) Studies	0.070	0.070	0.080	0.080	0.080	0.080	0.460
b) Meetings of experts							0
c) Information and publications	0.010	0.010	0.010	0.010	0.010	0.010	0.060
<i>Subtotal 2</i>	<i>0.080</i>	<i>0.080</i>	<i>0.090</i>	<i>0.090</i>	<i>0.090</i>	<i>0.090</i>	<i>0.520</i>
<b>TOTAL</b>	<b>0.180</b>	<b>0.180</b>	<b>0.200</b>	<b>0.200</b>	<b>0.200</b>	<b>0.200</b>	<b>1.160</b>

**6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)**

in € million to three decimal places

Breakdown	Type of outputs (projects, files)	Number of outputs (total for years 1...n)	Average unit cost	Total cost (total for years 1...n)
	1	2	3	4=(2X3)
<i>Community action</i>	Transnational cooperation projects	245	0.250	60.408
<i>Action in the Member States</i>		5.724	0.409	543.672
- <i>Authorities responsible</i>	Co-financing authorities responsible	24	1.313	31.504
- <i>Reception and asylum procedures</i>	Reception projects	3.000	0.085	256.084
- <i>Integration</i>	Integration projects	2.000	0.065	128.042
- <i>Voluntary return</i>	Return projects	700	0.175	128.042
<b>TOTAL COST</b>		<b>5 969</b>	<b>0.330</b>	<b>604.080</b>

**7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE**

**7.1. Impact on human resources**

Types of post	Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
	Number of permanent posts	Number of temporary posts		
Officials or temporary staff	A		12 A	A: multiannual priorities, follow-up to Member States' programming, programme monitoring, evaluation, calls for proposals for Community action, systems audits, <i>ex post</i> audits of expenditure B: monitoring of annual programmes of action in the MS, selection, monitoring and financial procedures for Community action, project audits C: administrative assistance, archives, collection and follow-up information system
	B		13 B	
	C		5 C	
Other human resources				
<b>Total</b>			<b>30 (12A+13B+5C)</b>	

## 7.2 Overall financial impact of human resources

Type of human resources	Amount (€)	Method of calculation *
12 Officials Temporary staff	3 240 000	12 A officials (12 x 108 000) + 13 B officials (13 x 108 000) + 5 C officials (5 x 108 000)
Other human resources (specify budget line)		
Total	3 240 000	

The amounts are total expenditure for twelve months on the basis of the instrument's management needs from 2008. The requirements in terms of administrative and financial resources will gradually be covered by the allocation assigned to the managing Directorate-General in the annual allocation procedure.

## 7.3 Other administrative expenditure deriving from the action

Budget line (number and heading)	Amount €	Method of calculation
<b>Overall allocation (Title A7)</b>		
A0701 – Missions	54 000	60 missions in the Member States x €900 unit cost
A07031 – Compulsory committees <sup>1</sup>	115 200	Meeting of programme advisory committee (6 meetings x 24 persons x €800 cost per person)
<b>Information systems (A-5001/A-4300)</b>		
<b>Other expenditure - Part A (specify)</b>		
<b>Total</b>	<b>169 200</b>	

The amounts are total expenditure for 12 months on the basis of the instrument's management needs from 2008.

<sup>1</sup> Specify the type of committee and the group to which it belongs.

I.	Annual total (7.2 + 7.3)	€3 409 200
II.	Duration of action	6 years
III.	Total cost of action	€17 386 920

## 8. FOLLOW-UP AND EVALUATION

### 8.1 Follow-up arrangements

Under the management system proposed, minimum standard formats will be established in all Member States for the presentation of projects, monitoring and evaluation. In this context common indicators will be defined for the various types of action, for which data will have to be gathered when action implementation reports are presented.

By the same token, a common management system (supported by a common IT application) will be developed in the financial field, in liaison with the Member States, to ensure that implementation of the programmes and actions funded is monitored on a common basis.

## **8.2 Arrangements and schedule for evaluation**

Several national and Community evaluations are planned, based around the multiannual programming schedule of the Fund, which is divided into two programming periods: 2005-2007 and 2008-2009. The timetable of evaluations set out in the proposal for a Decision is as follows:

- 31 December 2006: Member States submit national reports with an evaluation of the implementation of action under the Fund. This is followed by a Commission report pooling these evaluations no later than 30 April 2007. Given the deadline, the reports will concentrate primarily on the state of play in implementing programmes and action: it is unlikely that a detailed evaluation of the results and impact of action will be possible at that date. Nevertheless, the reports are necessary to prepare the second multiannual phase of the Fund (2008-2010).

- 30 June 2009: Member States submit national reports on the evaluation of action under the Fund for the 2005-2007 multiannual programming period. The Commission will then produce an intermediate evaluation report by 31 December 2009 at the latest, accompanied by a proposal for pursuing action under the Fund from 2011.

- 30 June 2012: Member States submit national reports with an *ex post* evaluation of action under the Fund for the 2008-2010 multiannual programming period, and an overall *ex post* evaluation of action. The Commission will then produce an *ex post* evaluation report by 31 December 2012 at the latest.

Both the national and Community evaluations will be based on independent assessments conducted according to the terms of reference drawn up by the Commission under Article 26(2) of the proposal for a Decision.

## **9. ANTI-FRAUD MEASURES**

Action taken under the Commission's direct, centralised management (Community action, technical assistance expenditure) will be implemented in accordance with the applicable rules, as defined in the Financial Regulation and its implementing rules. The contracts and grant agreements used will be the models recommended by the Commission and will provide for monitoring by the Commission and the Court of Auditors of the European Communities.

The general rules on the administrative and financial management of action in the Member States, which will be adopted by the Commission under Article 12 of the proposal for a Decision, in accordance with the committee procedure laid down in Article 13, will comprise specific provisions on the management and control of projects by the authorities responsible and provisions on *ex post* checks by the Commission and the Court of Auditors of the European Communities.