Asylum, Migration and Integration Fund and Instrument for financial support for police cooperation, preventing and combating crime, and crisis management: general provisions

2011/0367(COD) - 15/11/2011 - Legislative proposal

PURPOSE: to lay down the general provisions on the Asylum and Migration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management., in the framework of the Horizontal Regulation for implementation.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: Home affairs policies have been steadily growing in importance over the last years. These policies are at the heart of the European project to create an area without internal borders where EU citizens and third-country nationals may enter, circulate, live and work.

The Commission adopted a proposal for the next multi-annual financial framework for the period 2014-2020: a budget for delivering the Europe 2020 strategy. The Commission proposed to simplify the structure of the expenditure instruments by reducing the number of programmes to a two-Fund structure: an Asylum and Migration Fund and an Internal Security Fund.

Experience suggests that in the current programming period, the diversity and fragmentation of rules governing spending programmes are often perceived as unnecessarily complicated and difficult to implement and control. This imposes a heavy administrative burden on beneficiaries as well as on the Commission and Member States, which can have the unintended effect of discouraging participation, **increasing error rates and delaying implementation**. This means that the potential benefits of Union programmes are not fully realised.

This Regulation is part of a package of four Regulations, jointly establishing the framework for Union funding on home affairs under the two Funds.

This Regulation lays down rules on programming, management and control, financial management, clearance of accounts, closure of programmes and reporting and evaluation. Thus, it sets out the delivery mechanisms whereas the purpose and scope of the two Funds, the resources and means of implementation are defined in their respective specific Regulations.

This **horizontal instrument will ensure a common approach to the implementation of the two Funds** and a uniform treatment of beneficiaries in relation to all Union support in the area of home affairs.

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

The impact assessment identified problems in relation to the scope and priorities of the current home affairs spending programmes on the one hand and the problems regarding the delivery of funding on the other hand. In relation to the latter, the impact assessment examined options in relation to shared management, centralised management and the timely response to emergency situations.

In relation to shared management, the impact assessment concluded that a multiannual programme preceded by a policy dialogue was the preferred option. Contrary to the status quo, which combines annual programmes within a multiannual framework, it would significantly reduce administrative workload.

In terms of improving the delivery of funding under centralised management, the status quo was discarded because it offers little or no prospect of simplification or reduction of administrative workload. Recourse to a more targeted, less resource-intensive and diversified centralised management is the preferred option because it is expected to improve relations with key stakeholders and to lead to an overall reduction in workload.

In relation to the emergency response mechanism, the impact assessment concluded that the current mechanism clearly does not meet the need for a quicker and more effective response to crises in the areas of migration and security. An improved mechanism extended to both a wider range of migration-related crises and security-related crises was considered the preferred option.

Stakeholders supported the idea of reducing the number of financial instruments to a two-Fund structure on the condition that this would actually lead to simplification. They also agreed on the need for a flexible emergency response mechanism to allow the Union to respond quickly and effectively to migration and security-related crises.

Shared management with a move to multi-annual programming with the definition of common targets at Union level was generally seen as the appropriate management method for all home affairs spending although non-governmental organisations were of the view that direct management should also be continued.

LEGAL BASIS: Articles 78(2), 79(2), 79(4), 82(1), 84 and 87(2) of the Treaty on the Functioning of the European Union (TFEU). In light of this legal basis, the provisions of this Regulation lay down horizontal common provisions for the implementation of the Asylum and Migration Fund and one component of the Internal Security Fund, namely the instrument for financial support for police co-operation, preventing and combating crime, and crisis management.

CONTENT: this Regulation lays down **obligations only of a financial and technical nature** and leaves the choices on the definition of policy objectives, eligible actions, the allocation of resources and the scope of the intervention for each specific policy area to the respective legal basis (i.e. in the Specific Regulations).

As a new general framework for implementing Union funding in the area of home affairs policies, this Regulation sets outs general rules on the financing of expenditure including rules on partnership, programming, reporting, monitoring and evaluation, the management and control systems to be put in place by the Member States and the clearance of accounts.

General principles: the proposed Regulation seeks to lay down the conditions for:

1. a more policy-driven and results-oriented funding, including through reinforced strategic programming;
2. a significant simplification of the delivery mechanisms compared to the current situation;
3. more flexibility in financial management and in the implementation, in light of the need to be able to address new and unforeseen circumstances typical of home affairs;
4. an enhanced monitoring and evaluation framework, ensuring accountability, transparency and informed reflection on future support in the area of home affairs.

The main principles are detailed as follows:

(1) A policy-driven and results-oriented agenda

(a) For shared management: at the beginning of the next Multiannual Financial Framework, there will be a single, overarching home affairs policy dialogue with each Member State on their use of the Funds. Taking into account the outcome of the policy dialogue, the programmes agreed between the Commission and the Member State will describe the baseline situation and lay down the objectives Member States are to achieve in the policy area and the objectives for the use of Union funding. The national programme will identify targets and examples of actions per objective.

In addition, a seven-year financial plan will indicate how the allocated resources are to be committed and spent, within the ceilings available.

In case of **actions to be implemented in and in relation to third countries**, such actions should not be directly development-oriented and the policy dialogue should seek full coherence with the principles and general objectives of the Union external action and foreign policy related to the country or region in question.

It is also provides that:

- Member States will report annually on financial management and the results achieved under the programmes;
- there will be a mid-term review in 2017 to re-examine the situation in each Member State. At this occasion, new resources can be allocated for the period 2018-2020.

(b) For direct and indirect management: the objectives to be achieved under the national programmes will be complemented by "Union actions" as well as a rapid response mechanism to deal with emergency situations.

- **Union actions** will support the implementation of Union policies through grants and procurement. They will include actions in and in relation to third countries as indicated in the Communication on the Multiannual Financial Framework. Such actions shall not be directly development oriented and shall complement, as appropriate, the financial assistance provided through the EU's external aid instruments.
- **Union actions and emergency assistance measures** may also be carried out by Union Agencies in the area of home affairs (Cepol, Europol, EASO, Frontex and the IT Agency). **Technical assistance at the initiative of the Commission** will be used to support Member States and beneficiaries, to encourage mutual learning and improve communication (including corporate communication where appropriate) and evaluation. These appropriations will also support adequate control measures in the Union and in third countries relating to actions funded.

(2) Simplification of delivery mechanisms

(a) For shared management:

- each Member State will be required to have a single national programme per Fund, thus bringing together various policy areas. The new framework represents a major simplification and reduction of administrative burden compared to the current four Funds, which work with both a multiannual strategy and annual programmes.

- a low number of revisions of national programmes are expected (there should be, per Member State and per Fund, one decision to approve the multiannual programme and, if needed, one decision to revise the programme in the context of the mid-term review);

- each Member States will set up a single management and control system per Fund, with the possibility of having one system to cover both Funds;
- the eligibility of expenditure shall be determined on the basis of national rules, subject to a limited number of common, simple principles (simplified cost options such as flat rates and lump sums in particular).

(b) For direct and indirect management:

- in the event of emergency situations:

- the mechanism shall be triggered by the Commission, also following the initiative of Member States, the Article 71 Committee (COSI) represented by the respective Union Presidency or other stakeholders such as international organisations, etc;
- all possible means will be used to avoid fragmentation by concentrating resources on a limited number of Union objectives;

- for the financial support to the development of new IT systems ("**the smart borders package**"), the current annual financial decisions enabling the Commission to develop the central parts will be replaced by a multiannual framework.

(3) Flexibility

(a) For shared management: the impact of the mid-term review will depend on the situation in the Member States. Member States which are deemed to have additional risks or which obtain additional resources to implement Union specific priorities would be invited to revise the amounts in their financial plan and where appropriate to add elements in their programme. Financial flexibility will be implemented notably through the different mechanisms provided by these proposals, bearing in mind as central phases for their implementation the multiannual financial programming and its annual update, the annual budget allocation and the annual budget implementation.

(b) For direct and indirect management: annual appropriations for Union actions, emergency assistance and, subject to annual ceilings, the technical assistance at the initiative of the Commission, are considered as one "envelope", thereby allowing maximum flexibility to decide from one financial year to another where the resources will be allocated, depending on the specific needs. The specific Regulations foresee implementation in relation to all the policies and objectives supported by the Funds and even financing policy-related aspects of the operation of the Funds.

(4) A coherent and efficient reporting, monitoring and evaluation framework

(a) For shared management: Member States will report annually on the implementation of the multiannual programme, as an integral part of the clearance of accounts' exercise. To feed into the mid term review process, they will be requested in 2017 to provide additional information on the progress made in achieving the objectives. A similar exercise will be undertaken in 2019, to allow, where appropriate, adjustments during the last financial year (2020).

Supporting the development of a evaluation-based culture in the area of home affairs, the Funds will have a common evaluation and monitoring framework with **broad policy related indicators** which underline the result-oriented approach to the Funds and the essential role they could play in the policy mix to achieve the objectives towards an area of freedom, security and justice. All measures will be established at the beginning of the programming period, thus enabling Member States to set up their reporting and evaluation systems on the basis of the agreed principles and requirements. To reduce the administrative burden and ensure synergies between reporting and evaluation, the information required for evaluation reports will build on and complete the information provided by Member States in the annual implementation reports of the national programmes. The **interim evaluation report is due in 2018** and should feed into the reflection on the subsequent programming period.

DELEGATED ACTS: in order to amend provisions of this Regulation on the common principles on the eligibility of expenditure, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

BUDGETARY IMPLICATION: this proposal has no implications for the EU budget.