EU/Iceland Agreement: supplementary rules in relation to the instrument for financial support for external borders and visa

2017/0088(NLE) - 08/05/2017

PURPOSE: to conclude an Agreement between the European Union and Iceland on supplementary rules in relation to the instrument for financial support for external borders and visa, as part of the Internal Security Fund, for the period 2014 to 2020.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: Regulation (EU) No 515/2014 of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visa entered into force on 21 May 2014 and became applicable as of 1 January 2014.

Regulation (EU) No 514/2014 of the European Parliament and of the Council laying down general provisions on the Asylum, Migration and Integration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management also entered into force on 21 May 2014 and became applicable as of 1 January 2014.

Under Regulation (EU) No 515/2014, the provisions of the Regulation (EU) No 514/2014 apply to the instrument for financial support for external borders and visa as part of the Internal Security Fund ('the ISF –Borders and Visa').

This Fund aims to establish a **solidarity mechanism binding the participating states by the same European rules on the control of external borders** in each other's interests and on each other's behalf.

Regulation (EU) No 515/2014 provides that the countries associated with the implementation, application and development of the Schengen acquis **participate in the instrument** in accordance with its provisions and that arrangements are to be concluded on their financial contributions and the supplementary rules necessary for such participation.

This is the purpose of this Agreement with Iceland.

CONTENT: with this proposed Council decision, the Council is called upon to approve, on behalf of the EU, the Agreement between the European Union and Iceland on supplementary rules in relation to the instrument for financial support for external borders and visa, as part of the Internal Security Fund, for the period 2014 to 2020.

The aim of the draft Agreement with Iceland is to establish the **arrangements for the participation of Iceland in the ISF – Borders and Visa** and to enable the Commission to assume ultimate responsibility for implementation of the budget of the instrument in this associated country and **determine this country's contribution to the Union budget** in respect of this instrument.

Protection of the EU's financial interests: as regards budgetary and financial controls, the Member States are subject to horizontal obligations (e.g. the competence of the Court of Auditors and of the European Anti-Fraud Office (OLAF)), derived either directly from the Treaty or from secondary Union legislation. These obligations must be extended to the associated country by means of the draft Agreement.

In order to protect the Union's financial interests against fraud and other irregularities, Regulation (EU) No 514/2014 provides that cooperation agreements with third countries will expressly empower the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot controls and inspections.

Territorial provisions: Denmark is not taking part in the adoption of this Decision and is not bound by it or subject to its application. It will decide, within six months after the Council has adopted the proposal, whether it will implement the proposed Decision into its national law.

The United Kingdom and Ireland are not participating in the adoption of this Decision.