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

2017/0088(NLE) - 25/06/2018 - Final act

PURPOSE: to conclude, on behalf of the European Union, 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.

NON-LEGISLATIVE ACT: Council Decision (EU) 2018/948 on the conclusion on behalf of the European Union of 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.

CONTENT: the Council decided 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 under the Internal Security Fund for the period 2014-2020.

Regulation (EU) No 515/2014 of the European Parliament and of the Council establishing, within the framework of the Internal Security Fund, the instrument for financial support for external borders and visas provides that countries associated with the implementation, application and development of the Schengen acquis are to participate in this instrument. To this end, agreements shall be concluded to specify financial contributions and the supplementary rules necessary for such participation.

The agreement with Iceland was signed on 2 March 2018, subject to its conclusion at a later date. Its purpose is to establish the arrangements for that country's participation in the ISF - Borders and Visas Fund and to enable the Commission to assume ultimate responsibility for the implementation of the instrument's budget and to determine that country's contribution to the Union budget in respect of this instrument.

According to the Agreement, Iceland's contribution to the Union budget for this instrument is **EUR 563 999 per year for the period 2016-2018**. The contributions of Iceland for the years 2019 and 2020 shall be calculated in accordance with its **respective Gross Domestic Product** (GDP) as a percentage of the GDP of all States participating in the ISF – Borders and Visa.

The funds allocated to Iceland under the ISF - Borders and Visas shall be used in accordance with the principle of sound financial management and respect for the principle prohibiting conflicts of interest.

The agreement contains provisions concerning in particular: (i) the protection of the Union's financial interests against fraud; (iii) on-the-spot checks and inspections carried out by the Commission (OLAF); (iv) public procurement; (v) the designation of the authority responsible for the management and control of expenditure under the ISF; (vi) the eligibility of expenditure; (vii) the implementation report.

The United Kingdom and Ireland are not bound by the Decision. Denmark shall decide within six months from the Council decision whether it shall implement it in its national law.

ENTRY INTO FORCE: 5.7.2018.