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IMPACT ASSESSMENT

Accompanying the documents

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

Proposal for a Regulation establishing the Asylum and Migration Fund

Proposal for a Regulation establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management

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

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

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Disclaimer: This report commits only the European Commission's services involved in its preparation and does not prejudge the final form of any decision to be taken by the Commission.

1. INTRODUCTION

In accordance with the Communication on the EU Budget Review¹, a fresh look has been taken at spending priorities and delivery mechanisms in the home affairs area in order to identify policy priorities with a clear focus on European added value and to examine how best to achieve tangible results and ensure solidarity in delivering mutual benefits.

The present report constitutes both the ex-ante evaluation required for programmes or activities occasioning expenditure from the EU Budget², and the impact assessment that will accompany the legislative proposals for the future home affairs financial instruments.

2. PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES

2.1. Policy context

Home affairs policies have been growing steadily over the last years. Their importance has been confirmed by the Stockholm Programme³ and its Action Plan⁴, the implementation of which is a strategic priority for the next five years and covers areas such as migration (legal migration and integration; asylum; irregular migration and return), security (prevention of and fight against terrorism and organised crime; police cooperation) and management of the external borders (including visa policy), as well as the external dimension of these policies. The Lisbon Treaty⁵ also enables the Union to demonstrate greater ambition in responding to the day-to-day concerns of citizens in the area of freedom, security and justice.

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

Home affairs policy priorities should also be seen in the context of the seven flagship initiatives presented in the Europe 2020 Strategy⁶ which aim to help the EU overcome the current financial and economic crisis and achieve smart, sustainable and inclusive growth. Key guidance documents such as the EU Counter-terrorism Strategy⁷, the EU policy cycle for organised and serious international crime ("Harmony")⁸, the Commission's Communication

¹ COM(2010)700 final of 19/10/2010.

² Article 21 of Commission Regulation (EC, EURATOM) No 2342/2002 of 23/12/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the EU, OJ L 357, 31.12.2002.

³ Council document 17024/09 of 1-2/12/2009.

⁴ COM(2010)171final of 20/04/2010.

⁵ OJ 2008 C115 of 9/05/2008.

⁶ COM(2010)2020 final of 3/03/2010.

⁷ Council doc. 14469/4/05 of 30/11/2005.

⁸ Council doc. 15358/10 of 25/10/2010.

on the Internal Security Strategy⁹ and the European Pact on Immigration and Asylum¹⁰ provide additional direction to activities in the home affairs area.

Recent events in Northern Africa have brought hope of democratic change. They have also prompted large numbers of people to flee the region, some of them towards Europe, thereby putting the Schengen system and the freedom of movement under increasing strain. These events have demonstrated how important it is for the EU to have a comprehensive and coordinated approach to migration and borders, covering various aspects such as strengthened border management and Schengen governance, better targeted legal migration, enhanced dissemination of best practices on integration, a reinforced Common European Asylum System, and a more strategic approach to relations with third countries. EU funding is a key tool for the success of such an integrated and comprehensive approach.

2.2. Organisation and timing

Following the creation of DG Home Affairs in July 2010, a Task Force was appointed at the start of November 2010 under the Chairmanship of the Director-General and composed of representatives from all home affairs policy areas. The Task Force met regularly to coordinate and prepare the public consultation, impact assessment and legislative proposals for the future home affairs financial instruments.

This report also incorporates comments received in the context of the Inter-service Impact Assessment Steering Group meetings on 15 June and 29 July 2011. The following Directorates-General and services were invited: SG, BUDG, SJ, EEAS, RTD, DEVCO, INFSO, TAXUD, JUST, EMPL, EAC, MOVE, REGIO, MARE, ELARG, ENTR, SANCO, ECHO and JRC.

The Impact Assessment Board reviewed a draft version of this report and delivered its opinion on 9 September 2011. Its recommendations for improvement were incorporated in this revised version of the report. In particular, the following changes were made: simplification measures and actions in relation to the external dimension of home affairs were better identified and explained; indicative operational objectives and indicators as well as monitoring arrangements were provided; the baseline option for the distribution of funding was better explained; a list of acronyms (Annex 1) and a glossary (Annex 2) were added and text on return activities has been clarified.

2.3. Consultation and expertise

2.3.1. Evaluation and use of expertise

In accordance with the greater emphasis placed on evaluation as a tool to inform policy making, the present report takes account of evaluation results. The following evaluation results are available, the details of which can be found at Annex 4:

Internal security

- Mid-term evaluation of the General Programme Security and Safeguarding Liberties¹¹, covering the implementation of the ISEC and CIPS Programmes;

⁹ COM(2010)673 final of 22/11/2010.

¹⁰ Council doc. 13440/08 of 24/09/2008.

Migration, asylum and management of external borders

- Preliminary conclusions on the qualitative and quantitative aspects of the management and implementation of the European Fund for the Integration of third-country nationals (EIF), the External Borders Fund (EBF) and the Return Fund (RF) under the General Programme "Solidarity and Management of Migration Flows", based on national evaluation reports from the Member States, a comparative analysis and information on implementation available to the Commission (e.g. through monitoring reports). It is important to note that the first annual programmes (2007 for EIF and EBF; 2008 for RF) were being closed at the moment Member States had to report on progress. Available information is therefore quite limited and mainly relates to inputs (distribution of funding across priorities, number of projects approved etc) because it is too early to report on outcomes, results and impacts¹²;
- Ex-post evaluation of the results achieved under the European Refugee Fund for the period 2005-2007, including qualitative and quantitative aspects of implementation¹³. As this evaluation was ongoing and has meanwhile become available, no mid-term evaluation was required for the European Refugee Fund for the period 2008-2013;
- Communication on the application of the criteria for distribution of resources among the Member States under the External Borders Fund, the European Fund for the integration of third-country nationals and the European Return Fund¹⁴, including the report;
- European Migration Network's (EMN) study on "Programmes and Strategies in the EU Member States fostering Assisted Return to and Reintegration in Third Countries"¹⁵;
- Ex-post evaluations of the predecessor programmes of the current generation of Funds such as the INTI and RETURN Preparatory Actions;
- Evaluation of the European Migration Network¹⁶;

External dimension

- Mid-term review of the Thematic Programme for Cooperation with Third Countries in the Areas of Migration and Asylum¹⁷;

¹¹ COM(2011)318 final of 16 June 2011: Communication on the mid-term evaluation of the Framework Programme "Security and Safeguarding Liberties" (2007-2013)

¹² Adoption in progress

¹³ COM(2011)2 final of 14 January 2011: Communication on the results achieved and on qualitative and quantitative aspects of implementation of the European Refugee Fund for the period 2005-2007.

¹⁴ COM(2011)448 of 20 July 2011. No such obligation exists in the legal basis of the European Refugee Fund for the period 2008-2013 (ERF III) because it constitutes a continuation of previous generations of the Fund, established as of 2000 (ERF I and ERF II), and its basic act has consolidated the past experiences, including those concerning the distribution criteria. However, for the sake of completeness, an analysis of the amounts allocated to the Member States for the European Refugee Fund for the period 2008-2011 was included in the annex of the report.

¹⁵ Available at the EMN website: <http://www.emn.europa.eu> under "EMN studies"

¹⁶ The External Evaluation of the EMN is expected to be completed by the end of 2011. The results will be made available via the EMN website at <http://www.emn.europa.eu>.

- External evaluation of pilot Regional Protection Programmes (RPP);

Other evaluative elements

In order to fill any evaluation gaps, an internal stocktaking exercise was undertaken to identify shortcomings in both the scope and the delivery mechanisms of the existing financial instruments.

In addition, a study was launched in December 2010 with the aid of an external contractor to support the preparation of the impact assessment¹⁸. The study was completed in July 2011 and brings together available evaluation results for the existing financial instruments and informs the problems, objectives and policy options identified in this report, as well as the assessment of the likely impacts of the options.

2.3.2. Public consultation

A dedicated on-line public consultation¹⁹ ran from 5 January to 20 March 2011 and was open to all stakeholders, both from within the EU and from third countries. In order to receive as many responses as possible the consultation was available in 22 languages.

In total, 115 responses were received from individuals and on behalf of organisations, including 8 position papers. Respondents from all Member States contributed to the consultation as well as respondents in some third countries. 22% of responses were received from individuals and 78% on behalf of organisations. Omitting any duplicates and accounting for missing responses to some questions, most questions achieved more than 100 responses. This is considered satisfactory for a consultation on a topic of this kind.

In general, respondents strongly support the need for simplification in the delivery of home affairs financial instruments, the need for greater flexibility (specifically in relation to the ability to deal with migration and security related crises), and the need for increased funding and support in areas with a strong responsibility-sharing (asylum and borders) and/or cooperative dimension (internal security, agencies). Responses demonstrate that only through these measures can EU added value be enhanced and the effectiveness and efficiency of instruments improved. Greater home affairs policy leverage in third countries was also shown to be important and desired by stakeholders. A summary of the consultation results is provided in Annex 7.

2.3.3. Stakeholder conference

The stakeholder conference "The future of EU funding for Home Affairs: A fresh look" took place in Brussels on 8 April 2011. The conference brought together key stakeholders (Member States, international organisations, civil society organisations etc) and gave them the opportunity to share their views on the future of EU funding for home affairs. The conference was also an occasion to validate the outcome of the stock taking and the public consultation.

¹⁷ Available at: http://ec.europa.eu/europeaid/what/migration-asylum/index_en.htm

¹⁸ GHK, "Impact Assessment Study on the next Multiannual Financial Framework in the area of Home Affairs", under Framework Contract JLS/2009/A1/001.

¹⁹ The consultation documents and report on the results of the consultation are available on the DG Home Affairs website: http://ec.europa.eu/home-affairs/news/consulting_public/consulting_0020_en.htm

The conclusions of the conference²⁰ are broadly in line with the outcome of the public consultation with stakeholders stressing that in order to add value EU spending should reflect EU level priorities and policy commitments and should support the implementation of the EU home affairs *acquis*. In the area of immigration and asylum, stakeholders confirmed the important contribution made by the existing Funds but called for an improvement in their scope and for sufficient funding to be made available. In the area of internal security and borders, stakeholders considered that the broad thematic priorities have already been decided and that a future funding mechanism should be defined comprehensively, comprising law enforcement, border guards and customs communities. Stakeholders also considered that the external dimension of home affairs policies is considered extremely important and that more funding should be made available to support it although opinions diverged on the best funding sources to provide such support, either through the future home affairs Funds or external aid instruments. Sufficient funding should also be made available for the home affairs agencies, in particular EASO, Europol and Frontex.

In relation to simplification, stakeholders supported the idea of reducing the number of financial instruments to a two-Fund structure on the condition that this actually leads to simplification. They also agreed on the need for a flexible emergency response mechanism. Shared management with a move to multi-annual programming is generally seen as the appropriate management mode for home affairs spending. Non-governmental organisations were of the view that direct management should also be continued.

2.3.4. *Other consultations*

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

Discussions also took place at the COSI meeting on 5 October 2010 where a preliminary exchange of views was made with representatives of the Member States and representatives of agencies (Eurojust, Europol, CEPOL and Frontex) and, at expert level during the EOS Conference on Industry and Security on 9 February 2011, at the meeting of the Committee on Immigration and Asylum (CIA) on 22 February 2011, the meeting of the network of National Contact Points on Integration on 15 March 2011, the meeting of the Contact Committee on the Return Directive on 18 March 2011 and at the meeting of the High Level Working Group on Migration and Asylum on 27 April 2011.

Moreover, written contributions were received on technical aspects linked to the implementation of the future financial instruments following the meeting of the Committee for the General Programme "Solidarity and Management of Migration Flows" on 7 April 2011 and a further exchange of views with Member States' representatives took place during a dedicated "enlarged" meeting of the Committee on 5 July 2011. Finally, technical aspects linked to the implementation of the future financial instrument in the area of Internal Security

²⁰ A full report on the conference is available on the DG Home Affairs website: http://ec.europa.eu/home-affairs/funding/beyond/funding_future_en.htm

were also discussed with Member States' experts at the meetings on 15 February and 18 July 2011 of the two committees for the General Programme on Security and Safeguarding Liberties (ISEC and CIPS).

These consultations confirmed that there is an overall consensus among key stakeholders on the need for a wider scope of action for EU funding, including as regards its external dimension, thus enhancing the impact of home affairs policies, and a need to work towards more simplification in the delivery mechanisms and greater flexibility, notably to respond to emergencies.

As evidenced above, this report is based on a wide consultation of stakeholders. General principles and minimum standards for consultation of interested parties were therefore met in the preparation of this impact assessment.

3. OVERVIEW OF HOME AFFAIRS FUNDING (2007-2013)

The share of funding for home affairs in the EU budget is relatively small but has been growing steadily. Funded under Heading 3a "Freedom, Security and Justice" (internal policies) of the EU budget, home affairs spending in the period 2007-2013 amounts to €6,449 million²¹, representing 0.77% of the total EU budget (ceilings of the current financial framework). These figures cover not only financial programmes, but funding for large-scale IT systems (VIS, SIS, Eurodac) and agencies. A full overview is provided in Annex 3. It is important to note that current home affairs spending is characterised by heavy 'back-loading', increasing from €516.72 million in 2007 to €1,464.33 in 2013. This represents an annual average increase in the home affairs budget of approximately 15% in the period 2007-2013.

The main financial instrument in support of home affairs policies is the General Programme Solidarity and Management of Migration Flows, which consists of four Funds: the European Refugee Fund, the European Fund for the Integration of Third-Country Nationals, the European Return Fund and the External Borders Fund. In addition, funding in the area of internal security is channelled through the General Programme Security and Safeguarding Liberties, composed of the two Specific Programmes ISEC and CIPS. Table 3.1 provides an overview of the scope, budgets and participation of these General Programmes.

Table 3.1 – Summary overview of home affairs Funds and Programmes (2007-2013)

General Programme	Policy area	Fund / Specific Programme	Budget	Participation
General Programme Solidarity and Management of Migration Flows (93% to 96%)	Asylum	European Refugee Fund (ERF III, 2008-2013)	€614m ²²	All EU MS except Denmark
	Integration of legally residing third-country nationals, legal	European Fund for the Integration of Third-Country Nationals (EIF, 2007-2013)	€825m	All EU MS except Denmark

²¹ Figures provided are commitment appropriations expressed in current prices and based on latest figures available (including all budget amendments 2007-2010 and 2011 budget).

²² After adoption of EASO; takes account of Decision No 458/2010/EU amending the ERF basic act.

General Programme	Policy area	Fund / Specific Programme	Budget	Participation
<i>shared management; remainder under centralised direct management)</i>	migration			
	Return	European Return Fund (RF, 2008-2013)	€676m	All EU MS except Denmark
	Integrated border management and visa	External Borders Fund (EBF, 2007-2013)	€1,820m	All EU MS (including Romania and Bulgaria and the participation of Schengen associated states from 2010) except the UK and Ireland
General Programme Security and Safeguarding Liberties <i>(centralised direct management)</i>	Prevention of and fight against organised crime	Specific Programme Prevention of and Fight against Organised Crime (ISEC, 2007-2013)	€600m	All EU MS
	Combating terrorism and other security-related risks	Specific Programme Prevention, Preparedness and Consequence Management of Terrorism and Other Security-related Risks (CIPS, 2007-2013)	€140m	All EU MS

The external dimension of home affairs policies is currently covered through geographic and thematic external instruments under budget heading 4 "EU as global player". Funding to support third countries in home affairs policy areas is channelled mainly through the Thematic Programme "Cooperation with Third Countries in the Area of Migration and Asylum" which is relatively small (€55 million annually). Although additional funding is also available through geographic and other thematic programmes, the amounts actually allocated vary depending on the programming needs of the beneficiary countries (roughly estimated at approximately €135 million per year).

4. POLICY CHALLENGES AND THE ADDED VALUE OF EU FUNDING IN THE AREA OF HOME AFFAIRS

This section provides a brief overview of the policy challenges facing the EU in the home affairs area and the achievements of the current generation of home affairs financial instruments, created to respond to these challenges. A summary of the assessment of the financial instruments can be found in Annex 4. More detailed information about the policy challenges, including their scale, drivers and likely future trends is provided in Annex 5.

Evaluation results and stakeholder feedback confirm that these financial instruments are generally effective in supporting home affairs objectives and that the EU funding channelled through these financial instruments adds genuine value. The problems identified in relation to these instruments are the subject of the problem definition, discussed in the next chapter.

4.1. Asylum

The number of asylum applications varies significantly between Member States. This is mostly due to their geographic location. Flows of people seeking asylum or some form of international protection can also fluctuate considerably and can be composed of many different groups with different needs and motivations, some of which are particularly vulnerable such as unaccompanied minors, women, and victims of violence (including torture) and of trafficking in human beings. Dealing with these flows requires substantial resources and capabilities from Member States with some Member States receiving higher numbers of asylum seekers than the capacity of their system to process, support (through the provision of reception, health and social services) and protect asylum applicants.

At EU level, the development and implementation of the Common European Asylum System (CEAS) is supported financially primarily by the European Refugee Fund (ERF). The third generation of this Fund²³ (ERF III, 2008-2013: €614 million²⁴) was created to promote solidarity and responsibility-sharing between Member States in bearing the consequences of receiving refugees and displaced persons. It supports capacity building for Member States' asylum systems in general, the voluntary efforts of Member States to provide a durable solution in their territories to refugees and displaced persons identified as eligible for resettlement by the UNHCR, and voluntary responsibility-sharing between Member States consisting of the transfer of beneficiaries of and applicants for international protection from one Member State to another granting them similar protection ('relocation'). With respect to resettlement, the ERF provides an additional financial incentive to Member States who resettle persons belonging to specific categories (vulnerable groups and persons from countries and regions designated for the implementation of a Regional Protection Programme). This is done on the basis of a 'pledging' exercise whereby Member States provide an estimate of the number of persons they will resettle in the following year and subsequently receive a fixed amount of €4,000 per effectively resettled person.

Stakeholders are largely positive about the achievements of the Fund, in particular its support for improvements in Member States' reception infrastructures and the quality of services provided to asylum seekers, in particular vulnerable groups, as well as its support for integration measures for migrants who had received international protection status.

4.2. Legal migration and integration of third-country nationals

According to Eurostat, an estimated 1.8 million third-country nationals immigrated to the EU in 2008²⁵. The stock of third-country nationals in the EU in 2010 was 20.2 million, i.e. 4% of the total population²⁶. Compared to EU citizens, migrants generally experience lower labour market participation rates, poorer than average educational attainment and reduced social mobility. This lack of integration can lead to social difficulties, the cost of which is ultimately

²³ ERF I (2000-2004), ERF II (2005-2007)

²⁴ Initially €703.61 million. Revised Amount reflects situation after adoption of EASO legal basis (Decision No 458/2010/EU amending the ERF basic act).

²⁵ Eurostat. Data are residence permit data in accordance with the Migration Statistics Regulation. Immigration means an action by which a person establishes his or her usual residence in the territory of a country for a period that is, or is expected to be, at least twelve months, having previously been usually resident in another country. Immigrant means a person undertaking immigration. See also: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-11-001/EN/KS-SF-11-001-EN.PDF

²⁶ Eurostat. See also: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-11-034/EN/KS-SF-11-034-EN.PDF

borne by society as a whole. The integration of these migrants is therefore a key challenge for the EU and Member States, ensuring that they take active part in their receiving society and enjoy the same benefits, freedoms and rights as EU citizens, thus enabling the EU to benefit fully from their skills. Better integration would also help the EU's economy meet the demographic challenge it is currently facing and reach the objective of the EU 2020 Strategy to increase the employment rate of the population aged 20-64 from the current 69% to at least 75% by 2020.

The European Fund for the Integration of Third Country Nationals (EIF, hereafter "Integration Fund") (2007-2013: €825 million²⁷) was created with the aim of supporting the implementation of a common immigration policy by providing a credible response to the multidimensional issue of the integration of third-country nationals who are not covered by the European Refugee Fund. Both Funds support integration activities²⁸, with the latter focusing on refugees and persons benefiting from other forms of international protection and the former on all (other) legally-residing migrants. The European Social Fund (ESF) provides complementary funding for integration, supporting integration measures on access to the labour market whereas the Integration Fund finances measures such as reception and introductory schemes, participation in social and civic life, equal access to services, etc.

Overall, the Integration Fund has proven to be effective in supporting Member States in the development and implementation of their national integration strategies for legally residing third-country nationals. The mid-term evaluation of the Fund confirms that it enabled several Member States (e.g. Hungary, Slovakia) to design, for the first time, a comprehensive policy framework for the integration of third-country nationals. In other Member States, such as Bulgaria, Cyprus, Estonia or Greece, where a national framework for integration was already in place, the Fund provided financial resources for its implementation. Finally, in more experienced Member States, the Fund targeted specific measures or specific groups which are difficult to reach with mainstream funding instruments.

In this context, the Integration Fund brought about substantial effects in areas such as the improvement of linguistic skills, promoting meaningful contact and constructive dialogue between third-country nationals and the receiving society, and tackling third-country nationals' health problems. Most Member States assessed the programmes financed by the Fund as effective: projects selected in the 2007-2009 period were implemented successfully and achieved their objectives. In nearly all Member States, the Fund is perceived as having a genuine added value, yielding results in the area of integration that could not have been obtained otherwise.

4.3. Irregular immigration and return

Because of its clandestine nature, it is very difficult to determine the scale of irregular immigration in the EU. Estimates vary significantly, with estimates of between 4.5 million²⁹

²⁷ Initially €830 million.

²⁸ Approximately 41% of ERF resources are estimated to be used for this purpose (GHK (2009): Getting more out of migration funds: effective programming and evaluation – overview of the type and value of actions included in the annual programmes for each fund, for the European Commission DG Justice, Freedom and Security)

²⁹ European Commission, Directorate General for Communication (2009): 'Migration in the European Union: An opportunity and a challenge', 'Europe on the move' document completed in May 2009

and 8 million³⁰ irregular migrants living in the EU in 2009 being cited frequently. Approximately 500,000 of these are apprehended annually, the majority of whom are overstayers choosing to remain in a Member State for economic reasons³¹. Due to their geographic situation or attractive economic profile, some Member States face greater challenges, receiving numbers of irregular migrants disproportionate to their capacity to detect, regularise or return such migrants. Critically, due to the free movement of persons in the Schengen area, the burden of dealing with irregular immigration does not necessarily fall on the country of entry but rather on the destination Member State targeted by the migrant. Irregular immigration is costly not only for the 'target' Member States which spend considerable sums on enforcement measures, including detention, identification, return and reintegration operations, but also for the migrants involved.

In order to increase the effectiveness of the implementation at national level of the fight against irregular migration, the European Return Fund (RF) (2008-2013: €676 million) was created, as part of the General Programme "Solidarity and Management of Migration Flows", to support the voluntary and, where necessary, forced return of illegally staying third-country nationals within a common framework of "integrated return management" and in accordance with common standards. The Return Fund aims towards a fair sharing of the responsibilities between Member States as concerns the financial burden arising from the implementation of a common policy on return. With common standards bound to affect Member States to different extents (e.g. for geographical reasons), a degree of responsibility-sharing reinforces solidarity between Member States and brings overall benefits in terms of the value for money offered by an EU-wide approach, including by unlocking synergies, building co-operation on the basis of good practices and jointly implementing operations or testing new measures.

Member States gave a (partly) positive overall assessment on the implementation of the Return Fund. They report that at least for the 2008 programme, completed in the reporting period, the desired results, as defined in the multiannual strategy, were generally achieved. Several Member States highlight in this context particular achievements regarding voluntary return: the development of a holistic approach in national policies supporting voluntary return (Italy); the increased capacity to carry out assisted voluntary return activities (Estonia, Malta and Romania); the implementation of assisted voluntary return programmes, including the introduction of new tools, a website and a free telephone service, as well the evaluation of the programmes (Hungary); the enhancement of the counselling structures, rendering more effective the existing assisted voluntary return programme (Germany); the fact that the Fund simply made it possible for a greater number of migrants to return voluntarily (Spain) or for many third-country nationals to make a dignified, orderly and sustainable return and to receive reintegration assistance once there (United Kingdom).

Moreover, quite a few Member States referred to the usefulness of the Return Fund in assisting civil society to contribute to voluntary return. Poland underlined that without the Fund non-governmental organisations would not have had sufficient resources to undertake voluntary return activities, while Romania referred to the first steps in developing partnerships with non-governmental organisations under the Fund and Portugal to the possibility to continue to improve the voluntary return network in its country thanks to the Fund.

³⁰ Lodovici, M. S. (2010): 'Making a success of integrating immigrants in the labour market', Discussion Paper

³¹ European Commission, Directorate General for Communication (2009): 'Migration in the European Union: An opportunity and a challenge', 'Europe on the move' document completed in May 2009

4.4. Management of the EU's external borders and visa

Effective, efficient and secure border control is essential for the free movement of legally residing third-country nationals and EU citizens, as well as to maintain internal security. Because the length of the external border and the number and nature of border crossing points vary widely between Member States, the responsibilities for border control differ considerably from Member State to Member State, resulting in some of them bearing a disproportionate share of the associated costs. Member States at the periphery of the EU with long borders and many border crossing points have larger responsibilities than other Member States to prevent irregular migration, facilitate bona fide cross-border movements and provide security. In the Schengen area, persons holding a visa or residence permit from a Member State can move freely to other countries. Because Member States therefore do not only issue visas in their own interest, they have a common interest in applying common standards.

The External Borders Fund (EBF) (2007-2013: €1,820 million) was created in 2007, as part of the General Programme 'Solidarity and Management of Migration Flows', to support the capacity building of those Member States which bear the responsibility for an efficient, high and uniform level of control at the external borders and the implementation of the common visa policy. To promote solidarity, the Fund aims towards a fair share of the responsibilities between Member States as concerns the financial burden arising from the introduction of integrated management of the Union's external borders.

Most Member States gave a positive overall assessment of the results achieved through actions co-financed by the External Borders Fund, classifying the possibilities under the Fund for projects as effective and useful. In particular, in the 2007-2009 period, the Fund actively leveraged important EU policy initiatives and projects, contributing significantly to furthering integrated border management and the use of new technologies to facilitate legitimate travel. Besides the development of the Schengen Information Systems (SIS II) and the Visa Information System (VIS), the Fund supported pilot projects on the introduction of automated border controls and preparation for the registered travellers' programme. The Fund proved very useful to boost, in a very short period of time, investments in vulnerable areas such as the Mediterranean. Finally, Member States made use of the additional resources provided by the Fund for measures to improve the visa handling process by investing in modern technology equipment (including biometric capture devices) and strengthening the security of consular offices. These measures have contributed to swifter processing of visa applications, enhancement in the quality of services and an equal and fair treatment of visa applicants.

4.5. Prevention of and fight against organised crime

Organised crime in its various forms (e.g. drug trafficking, trafficking in human beings, crimes by itinerant criminal gangs, money laundering, fraud, cybercrime, corruption, counterfeited products and firearms, sexual exploitation of children, and various environmental crimes) poses major problems for the EU. Organised crime in all its forms is estimated to cost the EU over €250 billion per year. Due to changes in technology and increased internet activity, crimes such as cybercrime and payment card fraud are growing in importance with the costs of internet crime alone roughly estimated at €220 billion in 2010³². There is a continued need to effectively prevent such crime and, when it does occur, to convict its perpetrators in order to ensure that "crime does not pay" and to bring justice for

³² Office of Cyber Security & Information Assurance, UK and Detica (2011): "The Cost of Cyber Crime"

victims. However, organised crime is increasingly cross-border in nature. This reduces the effectiveness of national law enforcement activities and encourages criminals to evade law enforcement bodies by crossing over European borders and jurisdictions.

The General Programme 'Security and Safeguarding Liberties' (2007-2013) was created to ensure effective operational cooperation in the fight against terrorism, including its consequences, organised crime and general crime, to support the exchange of information, experience and best practice on a European scale and to strengthen the prevention of crime and terrorism, in order to promote secure societies based on the rule of law.

Within the General Programme, support for the prevention of and fight against organised crime is channelled more specifically through the Specific Programme 'Prevention and Fight against Crime' (ISEC) (2007-2013: €607.36 million). The mid-term evaluation of the ISEC Programme, covering the period 2007-2009, found that ISEC funding directly reached 137,000 persons. For example, it has facilitated transnational cooperation between Member State police leading to seizures and some 200 arrests in area of drugs trafficking, human trafficking and human smuggling and financed more than 25,000 support actions to crime victims (counselling, therapy).

4.6. Prevention, preparedness and consequence management of terrorism and other security-related threats

Terrorism and other security-related threats including their assessment and management present a major challenge to internal security in the EU. Terrorism presents unique threats in comparison to organised crime owing to the sporadic and transnational nature of offences, the potential for generating fear across Member States and the longer term fear perceptions that tend to be created. The number of terrorist attacks occurring in Europe between 2005 and 2009 has varied markedly³³ and the incidence of terrorist attacks in the EU appears to be decreasing slightly in recent years, the transnational character of the threat remains acute. Reliable data on the costs of terrorism are scarce and often based on mere estimates³⁴. But the consequences of terrorism in terms of the costs of human life, material destruction and related economic costs are significant, especially if compared to the relatively low cost of financing terrorist attacks.

Terrorism is one of the ten particularly serious crimes listed in Article 83 TFEU. Support for the prevention of and fight against terrorism is therefore channelled through the Specific Programme 'Prevention and Fight against Crime' (ISEC) (2007-2013: €607.36 million). This applies in particular to measures countering the possible use by terrorists of CBRN materials and explosives, protecting victims of terrorism and addressing radicalisation leading to terrorism. In addition, funding for tackling terrorist threats is also available under the Specific Programme 'Prevention, Preparedness and Consequence Management of Terrorism and Other Security Related Risks' (CIPS) (2007-2013: €142.17 million). The mid-term evaluation of the General Programme shows that CIPS has supported the development of new tools and methodologies in critical infrastructure sectors, especially transport and energy, and has increased knowledge of security-related risks in specific sectors, e.g. water management.

³³ In 2006, 498 terrorist attacks took place within the EU; in 2007 there were 583; in 2008 this number decreased to 515 and in 2009 there were 294 attacks. See the Europol Terrorism Situation and Trend (TE-SAT) Reports. Available from: <http://www.europol.europa.eu/index.asp?page=publications>

³⁴ For confirmation and further analysis, see the EP commissioned research note on estimated costs of EU Counter-terrorism measures (June 2011).

5. PROBLEM DEFINITION

Building on available evaluation results and stakeholder consultation, the problem definition looks at the fact that some activities cannot currently be funded or not adequately and operational problems linked to the delivery of funding. A number of assumptions underlie the problem definition:

- The public consultation confirmed that there is broad agreement among stakeholders on the EU added value of home affairs funding and overall support for the continuation of such funding. Although a number of limitations and shortcomings have been identified (discussed below) in the current financial instruments, these are not of a nature to put into question the very purpose of these instruments.
- Based on recent policy developments and the results of the public consultation, it was decided to create a two-Fund structure to have two coherent frameworks to support the very different policies of migration and security. The Asylum and Migration Fund will focus on people flows and the integrated management of migration. The Internal Security Fund responds to the call of the Stockholm Programme for the creation of a Fund to support the Internal Security Strategy and a coherent and comprehensive approach to law enforcement cooperation, including the management of the EU's external borders. The activities currently supported by the External Borders Fund will therefore form part of the Internal Security Fund rather than the Asylum and Migration Fund. The two other components of the Internal Security Fund will focus on support to police cooperation, crime prevention and fighting serious cross-border crime as well as crisis management and the protection of EU critical infrastructure.
- Simplification is a major concern of stakeholders. The Stockholm Programme calls for "better/easier access" of beneficiaries to home affairs funding. Stakeholders were in favour of the creation of a two-Fund structure on the condition that this would actually lead to simplification, hence the need for a common, underpinning instrument to lay down uniform rules and procedures under both Funds. In addition, streamlining is needed in order to align the regulatory framework of the home affairs Funds with the revised Financial Regulation, its implementing rules and the rules that will apply to the other EU instruments under shared management, in particular the Structural Funds.

5.1. The current instruments do not adequately address future needs and priorities

5.1.1. *Asylum*

The European Refugee Fund cannot adequately support a number of increasingly important activities, in particular resettlement operations and the intra-EU transfer ('relocation') of beneficiaries and applicants of international protection.

Although experience in relation to the **pledging exercise for resettlement** of specific categories of refugees remains rather limited, the mechanism seems to successfully contribute to the development of EU resettlement policy. For the period 2008-2012, Member States were allocated financial incentives for the resettlement of 15,292 persons falling within the specific categories. However, because the allocations for resettlement are taken from the total European Refugee Fund envelope (and currently represent approximately 12%), increasing

involvement of Member States in resettlement operations reduces the allocations available for other actions under the Member States' annual programmes. There are therefore insufficient resources to support a more comprehensive EU resettlement policy and to incentivise Member States to take part in the resettlement operations through the pledging exercise.

The European Refugee Fund also does not provide any additional financial incentive to Member States for the **intra-EU transfer of beneficiaries of and applicants for international protection ('relocation')**. Despite the fact that such operations represent an EU specific priority and may therefore benefit from an increased co-financing rate of 75% (normal co-financing rate is 50%), Member States do not include them in their national programmes because the financial incentive offered for receiving relocated persons is insufficiently big and they prefer to use the envelope for other actions addressing their specific needs. Such operations have therefore been financed so far with the support of the Community Actions (centralised direct management) component of the ERF, for example through the European Relocation Malta (EUREMA) project which aimed at relocating 260 beneficiaries of international protection from Malta to ten other Member States with the help of UNHCR (mainly for the identification of the cases) and the International Organisation for Migration (mainly for general administrative support, medical checks, cultural orientation, transport, etc).

5.1.2. Legal migration and integration of third-country nationals

Overall, the Integration Fund has proved effective in supporting the setting-up and reinforcing of Member States' national strategies for the integration of third-country nationals. Nevertheless, as Member States' national frameworks for integration mature, **the need for capacity building at national level is expected to decrease**. Many stakeholders, including the Committee of the Regions, consider that integration challenges for example in the areas of housing, education, social assistance and health are addressed more effectively at the regional and local level, i.e. at a level closer to the individual. This is linked to the need to target more effectively specific measures or specific groups of migrants who cannot easily be reached by mainstream instruments.

5.1.3. Irregular immigration and return

The European Return Fund currently provides financial support for both assisted voluntary return and forced return³⁵. A recent study of the European Migration Network concludes that Assisted Return is seen by non-governmental organisations and also increasingly by Member States as a valid and often preferable alternative to forced return³⁶. It is also significantly more cost-effective than forced returns or deportations, to the extent that voluntary operations may be more than 66% less expensive than forced returns when reintegration assistance is taken into account³⁷. As a result, Member States are taking steps to make this a credible and feasible

³⁵ The mid-term evaluation found that nearly 53% of the resources for 2008 and 2009 were budgeted for forced return measures, 43% for supporting voluntary return activities and 4% consisted of (capacity building) activities conducive to either type of departure.

³⁶ EMN study on Assisted Return available from <http://www.emn.europa.eu> under "EMN Studies"

³⁷ Estimates from the UK indicate that forced returns could cost the taxpayer between €12,400 and €28,900 per returnee, as opposed to a range of €680 - €5,650 per voluntary return (depending on whether the calculation covers only travel costs or also includes reintegration assistance). See Özlem, T. (2010): "Voluntary return programmes: an effective, humane and cost effective mechanism for returning irregular migrants", report prepared by Committee on Migration, Refugees and Population, Turkey. Exchange rate (£1 = €1.13) calculated using www.xe.com as at 15 April 2011

return option, including by measures to overcome the various obstacles persons who wish to return may face during the different phases of return (i.e. pre-return, transportation and post-return). Furthermore, in several Member States, the focus has also shifted from organising assisted return measures (solely) regarding the pre-return and transportation phases, to the post-return phase ("reintegration measures"). Sufficient financial support should therefore be available for this **comprehensive and sustainable approach to the return process** after 2013. Nevertheless, Member States consider that funding should also be maintained for forced returns.

Because the Return Fund currently focuses on funding the return process, it does not cover other necessary costs such as the costs of **pre-removal reception/detention conditions**, which has proved problematic for Member States. Moreover, the Fund does not support measures essential for the **prevention of irregular immigration** including trafficking, document management (databases on residence permits) and false documents.

In addition, only 2% of the funds allocated so far under the European Return Fund have been used for cooperation between Member States, such as joint flights, although such cooperation is a clear way of achieving economies of scale and synergies. The **need for increased co-operation and co-ordination in return operations** is acknowledged and is evinced in the steady increase of the share of allocations committed from the budget of the European Agency for the Management of Operational Cooperation at the External Borders (Frontex) to joint return operations, increasing from €5.2 million for 2009 to €6.7 million for 2010 and €10 million (planned) for 2011.

5.1.4. Management of the EU's external borders and visa

The External Borders Fund is instrumental in providing support to Member States for the management of the EU's external borders and the EU's visa policy. A number of key developments will take place in this area between 2014 and 2020 such as the further development of an **integrated border management system** by improving, replacing and upgrading equipment/infrastructure for visa and borders according to new technological developments. This would in particular include enhancing the operational capabilities of the Member States within the framework of EUROSUR standards.

To ensure adequate border control, sufficient financial support is needed to ensure the maintenance of the **large-scale IT systems** SIS II and VIS and the functioning of a future IT Agency which will gradually take over the management and development of these systems. Some financial support is currently provided under the External Borders Fund for national components of SIS II and VIS. Sufficient financial assistance will also be needed in the period 2014-2020 for the **development and maintenance of any future IT-systems**, such as the Entry/Exit System and the Registered Traveller Programme. This could include not just the central (EU-level) components but also the national components (Member States) of these IT systems. This would ensure that financial problems and budget cuts at the level of the Member States do not cause delays and jeopardise the overall project.

At the moment, support from the External Borders Fund is limited to border control and visa policy *stricto sensu*. As a result, the Fund cannot support **control measures within the area**

of free movement which are not carried out at or close to the external borders (in land)³⁸. It also cannot support **inter-agency cooperation** and the building of connections across the different law enforcement authorities, including those working inside the territory (police, border guards, customs, etc) within the framework of an internal security agenda.

5.1.5. Prevention of and fight against organised crime

Feedback from beneficiaries (mostly law enforcement authorities) confirms that the ISEC Programme in particular currently covers too wide a range of activities, leading to fragmentation and a lack of focus. There is therefore a need to use these funding in the area of internal security more strategically by focussing more on the political priorities as listed in the Internal Security Strategy, such as cybercrime, sexual crimes against children etc.

Combating serious and organised crime effectively in its many forms will require the **strengthening of practical law enforcement cooperation** through financial support for joint operations (including Joint Investigation Teams), the pooling of resources (including through initiatives such as the Baltic Sea Task Force to combat regional criminal hubs), the greater use of financial investigation tools to identify and confiscate criminal assets. Support will also be needed for the **development of tools at Member State level** necessary for law enforcement cooperation. This includes IT systems for the exchange of Passenger Name Records (PNR) data the automated exchange of DNA, fingerprints and vehicle registration data between Member States. Secure communication links, such as the SIENA system developed by EUROPOL, are needed for practical cooperation and should also be supported.

In the fight against drugs specifically, efforts will also be stepped up to reinforce operational cooperation, such as the actions already financed on drugs smuggling in the framework of MAOC-N (Maritime Analysis and Operation Centre – Narcotics) and CeCLADM (Centre de Coordination pour la Lutte Anti-drogue en Méditerranée), and to develop **common risk analyses** involving all relevant authorities with a security role (including police, border guards and customs authorities). In order to disrupt the illicit market for drugs, more support should be given to law enforcement authorities in bilateral, multilateral and regional efforts to curb drugs supply; and disrupting drugs routes and *moda operandi*. With respect to trafficking in human beings, EU funding should be available for **measures to support victims** and for the development of **law enforcement responses and prevention programmes** in source (third) countries. In the area of sexual crimes against children, law enforcement cooperation should be supported, including **exchange of know-how and IT-solutions** to combat child pornography on the internet. To address corruption, EU funding should be available to **develop capacity in law enforcement and building partnerships** with the private sector and civil society, both within the EU and in third countries with a high level of EU investment.

Appropriate **training** is therefore essential to ensure that the law enforcement community is fully equipped to deal with the threats posed by these developments whilst fully respecting fundamental rights. Training is a horizontal, cross-cutting need for police forces (language courses, increasing knowledge of EU tools etc). Substantial funding should be available to support it. Moreover, training activities should also target more specifically law enforcement officers dealing with **specialist and highly technical issues**, such as in the area of IT

³⁸ In accordance with the four-tiers access control model on Schengen. These measures prevent irregular immigration and cross-border crime inside the territory of the Schengen States by enhanced searches, checks and surveillance measures based on national information, and in accordance with national law.

(cybercrime), because criminals are increasingly using new technologies to commit crime, as shown by recent EU Organised Crime Threat Assessments (OCTA) produced by Europol.

5.1.6. Prevention, preparedness and consequence management of terrorism and other security-related threats

The ISEC and CIPS Programmes do not adequately support the prevention of and fight against terrorism and other security-related risks. In the first place, the terrorist threat has rapidly evolved in recent years, with changes in the *modus operandi* of terrorist activists and supporters including the replacement of structured and hierarchical groups by semiautonomous regional cells loosely tied to each other. Such cells increasingly rely on the use of new technologies, in particular the Internet. Increasingly, so-called 'lone wolves', who may have developed their radical beliefs on the basis of extremist propaganda, commit terrorist acts using training materials found on the internet. **Financial support is therefore needed to prevent and raise awareness of radicalisation and recruitment**, for example through support for an EU radicalisation-awareness network and civil society organisations which expose, translate and challenge violent extremist propaganda on the internet. **Victims** should also be supported because of their role in de-legitimising and deglamourising terrorism and crime and in raising awareness for preventing violent radicalisation.

Tracking down terrorist movements, for example by collecting and analysing the Name Records of passengers travelling to and from Europe and cutting-off terrorists from access to financial means by following their transactions is equally important. Funding is therefore not just needed for a future European PNR but might also be envisaged – subject to the political debate launched by the Commission in July 2011³⁹ – for a **European Terrorist Financing Tracking System**, allowing law enforcement officers to detect and dismantle terrorist networks by extracting and analysing financial messaging data held on EU territory. The latter would also include funding for the activities of the EU agencies which may be involved in this system, such as Europol, Eurojust or the IT-Agency. Preventing access to explosives and Chemical, Biological, Radiological and Nuclear (CBRN) substances and enhancing their security is another key component of a successful fight against terrorism and requires, inter alia, funding to further develop and maintain a **European Bomb Data system** and a **law enforcement Early Warning System at EUROPOL** for incidents related to explosives and CBRN materials and close coordination with Member States.

More financial support is also needed for **critical infrastructure protection** in order to protect those assets which are essential to the functioning of European society and its economy. In order to increase Europe's resilience to crises resulting from terrorist activities, financial support is needed for **all phases of the crisis management cycle** (preparedness, response and recovery) with a focus on enhancing Europe's preparedness for crises and developing European Emergency Response Capacity⁴⁰. While the EU should financially support Member States' crisis management in order to enhance the interoperability of national crisis management systems and technical capacities, a coherent risk management policy which links threat and risk assessment should be established at EU level. This requires developing a European analytical capacity to assess risks and threats on the basis of common methodologies and parameters, for example through the establishment of a "European Alert Register" on the basis of input from Member States.

³⁹ COM(2011)429 final of 13/07/2011.

⁴⁰ COM(2010)673 final of 22/11/2010: As outlined in strategic objective 5

5.2. The external dimension of home affairs policies is not supported adequately

The current generation of home affairs financial programmes do not cover the external dimension of home affairs. Although it is possible at present to financially support some activities in third countries in order to ensure territorial continuity of financing, starting in the EU and continuing in third countries, these activities are very limited. Examples of such activities are the reintegration measures supported by the Return Fund (specific measures for returnees in the country of return in order first to ensure effective return under good conditions and enhance their durable reintegration), the deployment of immigration and aircraft liaison officers (prevention of illegal entry) and surveillance activities outside the EU territory (high seas) under the External Borders Fund and the technical working arrangements concluded by Frontex with the border guard authorities of third countries (Russia, Ukraine, the Western Balkan countries, Moldova, Georgia, the US and Belarus) to develop cooperation on training, risk analysis and joint operations with them.

Funding for third countries in Home Affairs policy areas is therefore almost exclusively provided through external relations instruments under budget heading 4 of the EU Budget: "EU as a global player". Although such funding is increasingly being channelled through geographic programmes, the Thematic Programme 'Cooperation with Third Countries in the Area of Migration and Asylum' remains the main instrument in support of the external dimension of migration and asylum policies. This programme is relatively small, with an average annual budget of € 55 million (€ 384 million for the period 2007-2013). Besides, although the Programme's objectives encompass the different facets of migration management policy, it is increasingly seen as a development-oriented instrument because it has its legal basis in the Development Cooperation Instrument (DCI).

In fact, the external aid programmes are not designed to support the external dimension of home affairs policies but rather to cater primarily for other policy objectives, in particular enlargement, development and neighbourhood policies. At present, 95% of EU funding qualifies as Official Development Assistance (ODA) and must by definition target development objectives in favour of the recipient country. Accordingly, needs assessment and identification of priorities is mostly jointly agreed with beneficiary countries. While this very important and migration-related development assistance should be kept and expanded, there is a manifest lack of EU leverage to allow the Union to pursue and achieve its own policy priorities and cater for the EU interest, such as the management of migratory flows and security.

5.2.1. *Asylum*

In view of the pressure on Member States' asylum systems, cooperation with third countries to ensure the international protection of asylum seekers and refugees, notably through Regional Protection Programmes has become increasingly important. These Programmes form an important component of the common asylum policy. An external evaluation of pilot Regional Protection Programmes (RPP) concluded that the concept of RPP constitutes a first successful step towards establishing a mechanism for an increase of the capacity of areas which are close to regions of origin, or which are areas of transit, to protect refugees through the three durable solutions of repatriation, local integration and/or resettlement. Despite their importance, **the European Refugee Fund cannot support Regional Protection Programmes financially.** Current funding for RPP is too fragmented and as a result, achievements under these Programmes are not optimal, in particular in terms of visibility and understanding of the overall RPP concept and RPP awareness in the beneficiary countries. In addition to these

Programmes, there is a need to explore and develop options for the processing of requests for international protection in the regions of origin (outside the EU territory) and the setting-up of a more effective system of responsibility-sharing among countries of origin, transit and destination.

5.2.2. Legal migration and integration of third-country nationals

The Integration Fund **does not provide financial support for developing the EU 'Global Approach to Migration' (GAM)**, in particular the negotiation, signing and implementation of Mobility Partnerships. Although support for instruments such as Mobility Partnerships has been provided through external aid instruments such as the Thematic Programme 'Cooperation with Third Countries in the area of Migration and Asylum', these instruments are aimed exclusively at supporting third countries' capacities and therefore do not adequately cover the full migration cycle, encompassing both its internal and external dimension, thus not allowing adequate support for the specific interests of the Member States in addressing the challenge of migration management to the EU.

5.2.3. Irregular immigration and return

Readmission agreements are another important tool for an efficient management of migration flows, in particular in fighting irregular immigration, and an important component of the EU return policy, because they facilitate the swift return of irregular migrants. However, although a couple of projects supporting the implementation of readmission agreements have been supported through the Thematic Programme 'Cooperation with Third Countries in the area of Migration and Asylum', the existing financial instruments do not provide sufficient financial incentives to **help third countries cope with the financial burden of the readmission of irregular migrants**, either in terms of reintegrating their own nationals or onward readmission of third-country nationals to their countries of origin. To be efficient as leverage, such funding must also be substantial and additional to what is available to third countries under development assistance.

5.2.4. Management of the EU's external borders and visa

Through its external relations instruments, the EU also provides substantial **support to third countries aiming at improving their border management capacities**. However, such mechanisms cannot provide adequate support to many activities in third countries whose primary purpose is to serve EU interests and needs in terms of border surveillance, for instance in the framework of programmes such as EUROSUR, of which the primary aim is to prevent cross border illegal activities into the EU.

5.2.5. Prevention of and fight against organised crime and prevention, preparedness and consequence management of terrorism and other security-related threats

The increasingly important **external dimension of the EU's internal security policy** is not adequately covered by the ISEC and CIPS Programmes as transnational projects are limited to acceding countries, candidate countries and International Organisations who may not submit projects but only participate as partners. Cooperation with third countries in areas such as trafficking of human beings, trafficking of drugs and weapons, dismantling international criminal networks and the prevention of terrorism and other security-related risks can therefore not be supported properly. Although external aid instruments support activities in third countries aiming at strengthening their capacities in security related areas, those

instruments do not cover adequately direct EU needs, as they are not adapted to supporting actions with a direct impact in the EU or with activities serving simultaneously the needs of the EU and third countries (networks of liaison officers, intelligence networks, joint training of EU and third countries police, etc).

5.3. Operational limitations of the home affairs delivery mechanisms

5.3.1. Shared management

Shared management is the main delivery mechanism for home affairs funding with over 93% of the allocations under the four Funds under the General Programme Solidarity and Management of Migration Flows implemented in this way. Although shared management is generally considered the appropriate management mode for most home affairs actions, stakeholders stress the **need for simplification and reduction of administrative burden**.

Each of the four Funds under the General Programme has its own legal basis and implementing rules (including rules on eligibility of costs etc). This leads to a duplication of efforts and a multiplication of rules which, in turn, results in additional workload and the risk of different interpretations by the Commission, the Member States and the final beneficiaries and also increases the risk of errors.

Although these four Funds are similar to the Structural Funds which provide financial assistance to address structural economic and social problems in the field of EU cohesion policy, there are also important differences, notably in relation to the management and control systems Member States are required to put in place, the role of the different authorities in the process, the eligibility rules at project level, the approach to programming and reporting, and the budgetary and closure mechanisms. These differences may increase the work load in terms of project management and control tasks and often lead to confusion on the part of the national authorities in charge of implementing these Funds as well as the beneficiaries.

The Funds of the General Programme currently **combine a multiannual framework with annual programmes. This system is complex, time-consuming and difficult to manage**. With four Funds and around 100 annual programmes to manage on a yearly basis, the administrative workload for both the Commission and Member States is very heavy.

5.3.2. Direct management

Centralised direct management is the main delivery mechanism for funding in the area of internal security ("General Programme on Security and Safeguarding Liberties). It is also the ancillary implementation mode for the four Funds of the General Programme "Solidarity and Management of Migration Flows" where it is used mainly to provide financial support to transnational projects, studies, conferences, innovative actions and other types of actions of EU interest. Operating grants are also available to civil society organisations which pursue an aim of general European interest or have an objective forming part of an EU policy. Direct management is also the method for the implementation of the assistance provided to third countries through external aid instruments (geographic and thematic programmes) which is implemented with the full involvement of the EU Delegations and the support for running the Eurodac system and developing the central parts of large-scale IT systems, such as VIS and SIS II.

The **grants** provided under the two Specific Programmes (ISEC and CIPS) under the General Programme on Security and Safeguarding Liberties are generally **small**. However, because the **eligibility rules are complex, the overall error rate is relatively high** in the cost claims submitted by the final beneficiaries, requiring reinforced ex-ante and ex-post controls. The mid-term evaluation and stakeholder consultation confirm that the administrative burden under the Programmes is significant for the beneficiaries (and the Commission).

The ISEC and CIPS Programmes also suffer from significant **under-spending**. In 2009, only 77% of ISEC commitment appropriations and 65% of payment appropriations were spent. The situation is even worse for the CIPS Programme, with only 62% of commitment appropriations and 59% of payment appropriations used in 2009. Although some of this under-spending is due to a lack of quality applications, it is caused primarily by the limited flexibility of the Specific Programmes, in particular the excessive time needed to complete the grant process (call for proposals, submission of bids, award of grants, signature grant agreement, release of funds etc).

Indeed, stakeholders are critical in particular of the **lengthy application process** under the ISEC Programme which prevents law enforcement authorities from mounting operations quickly in response to emerging threats. This hampers the successful implementation of precisely those actions which the Programme is meant to support in order to improve operational cooperation, such as Joint Investigation Teams and other forms of cross-border joint operations (such as COSPOL projects, ISS related pilot projects and the future "Harmony" operational action plans). Although there are early signs that some of the measures taken recently to improve access to these Programmes, for example through more targeted calls, the situation is unlikely to improve markedly due to the increase in the appropriations for these Programmes in 2012 and 2013.

In view of the above, there is broad agreement among stakeholders on the **need for simplification**. The mid-term evaluation recommends improvements to be made to the implementation of the Programmes such as better timing calls for proposals, rendering the budget review exercise more efficient, discontinuing the use of operating grants (ISEC), implementing a project monitoring system, enhancing the framework partnership concept and stepping-up simplification efforts (flat-rates, lump sums etc). This is extremely important since through the 'Harmony' operational action plans, the Commission is asked to review its funding mechanisms and to make it easier in future to finance more operations and joint investigation teams for the full 'Harmony' cycle (2013-2017).

5.3.3. Emergency response mechanism

The first lessons drawn from the crisis at the Greek/Turkish external border and the crisis in the Southern Mediterranean demonstrate that the EU should improve its ability to respond rapidly and effectively to situation of crisis and massive arrivals of people. Currently, only the European Refugee Fund is equipped with an emergency response mechanism. An emergency reserve of €9.8 million is available under the Fund to support emergency measures in Member States facing situations of **particular migratory pressure**, characterised by the sudden arrival at particular points on the borders of a large number of third-country nationals who may be in need of international protection. This mechanism was triggered each year since 2008: for Italy, Greece and Malta in 2008, for Greece and Malta in 2009, for Greece in 2010 and for Belgium and Italy in 2011.

These experiences have shown that while providing additional support to Member States, **the emergency mechanism fails to respond quickly and effectively to crisis situations**. This is due to the fact that the duration of emergency measures under the ERF is limited to six months, their triggering is administratively burdensome (requiring a revision of the Member State's annual programme), the amounts available are limited and its intervention scope is limited to inflows of asylum seekers without taking into account mixed flows.

Moreover, in the area of **internal security**, the existing Programmes do not cover emergency measures in case of crisis situations where flexibility is essential. In view of the fact that certain events may require a quick and effective response at EU level, for example terrorist attacks, large-scale cyber attacks or mass counterfeiting of the Euro, an emergency response mechanism should be created to enable the EU to release funding for the rapid deployment of specialised technical support in collaboration with the Member States concerned.

5.4. The EU's right to act and justification for EU action

5.4.1. The EU's right to act

The EU's right to act in the area of home affairs derives primarily from Title V 'Area of Freedom, Security and Justice' of the Treaty on the Functioning of the European Union (TFEU):

- External borders and common policy on visa (in particular Article 77(2) TFEU);
- Common policy on asylum, subsidiary protection and temporary protection (in particular Article 78(2) TFEU) including partnership and cooperation with third countries;
- Common immigration policy and return policy (in particular Article 79(2) and (4) TFEU) including conclusion of readmission agreements with third countries;
- Judicial co-operation in criminal matters (in particular Article 82(1) TFEU);
- Crime prevention, crisis management and protection of critical infrastructure (Article 84 TFEU);
- Measures regarding police co-operation (in particular Article 87(2) TFEU);
- Cooperation with third countries and the competent international organisations (Article 212(3) TFEU).

5.4.2. Subsidiarity

5.4.2.1. Necessity test

The challenges facing the EU in the areas of asylum, immigration, external borders, the prevention of and fight against serious and organised crime, terrorism and other security-related risks cannot be dealt with by the Member States acting alone.

The abolition of internal border controls must be accompanied by common measures for the effective control and surveillance of the Union's external borders. Due to their specific geographic situation and the length of their external border, some Member States receive

higher numbers of asylum seekers than the capacity of their system to process, support and protect asylum applicants. This is compounded by the fact that migration flows are mixed (being composed of many different groups with different needs and motivations, in particular vulnerable groups) and can fluctuate significantly. For the same reasons, some Member States also have to deal with higher numbers of irregular migrants and the associated cost of their detection, apprehension and return, not to mention the challenge of "mixed flows". Article 80 TFEU expressly states that the common policies on asylum, immigration and external borders are based on the principle of solidarity and fair sharing of responsibilities between Member States. EU funding is the mechanism which gives effect to the financial implications of this principle and without which some Member States would have to shoulder the disproportionate burden of long borders or surges in migration.

Serious and organised crime (e.g. drug trafficking, sexual abuse of children, trafficking in human beings, cybercrime), terrorism and other security-related threats are also increasingly cross-border phenomena. Transnational co-operation between Member States' law enforcement authorities working with Europol and Eurojust is therefore essential to successfully fight and prevent these crimes, including the exchange of information and common threat and risk assessments.

Cooperation with third countries, notably through actions outside the EU aiming at strengthening their capacities, is instrumental in addressing the aforementioned challenges.

5.4.2.2. EU added value

Dealing with migration flows, the management of the EU's external borders and the security of the EU requires substantial resources and capabilities from the Member States. Improved operational co-operation involving the pooling of resources in areas like training and equipment creates economies of scale and synergies thereby ensuring a more efficient use of public funds and reinforcing solidarity and mutual trust between Member States. In addition, the integrated management of the EU's external borders and the completion of a Common European Asylum System are the most effective ways to fairly share these responsibilities and their financial implications between Member States.

In the area of internal security, EU funding has been a key factor in supporting new developments. For example, funding from the CIPS programme was instrumental for the development of a Critical Infrastructure Warning Information Network (CIWIN), a multi-level communication system for the exchange of CIP-related ideas, studies and best practices, within a secure IT environment. CIWIN acts as a central hub and coordination tool for Member States' experts working on critical infrastructure protection issues. As Critical Infrastructure Protection in the EU is currently subject to a patchwork of protective measures and obligations, CIWIN is a good example of where EU action offers better value for money by facilitating the exchange of information and pooling the expertise and resources from national administrations and the Commission, thereby avoiding fragmentation and duplication of activities in Member States. This "one-stop-system" for all relevant information on critical infrastructures in the EU also helps to build trust among relevant stakeholders across the EU.

Action at EU level in relation to the external dimension of home affairs also brings added value. Co-operation with third countries at EU level can significantly increase the leverage necessary to convince third countries to engage with the EU on issues of relevance mostly to the EU and the Member States.

5.5. How would the problem evolve, all things being equal?

5.5.1. How the policy challenges are expected to evolve

In the area of asylum, the underlying causes and drivers of factors that lead to the seeking of asylum and international protection in the EU (war, repressive regimes, political instability etc.) are very likely to continue. ‘New’ factors such as water shortages and environmental disasters may also contribute to migration flows. Overall, it is reasonable to assume that the numbers of asylum applications will increase gradually with fluctuations by year and country. In relation to legal migration and integration of third-country nationals, the annual inflow of legal migrants is estimated to increase steadily. Although the inflow depends upon demand and policies within the EU and a supply of migrants from third countries, labour migration is expected to remain the main contributor to the growth in legal migration. The need for the integration of third-country nationals is therefore also expected to grow. With regard to irregular immigration and return, the number of ‘new’ irregular migrants in the EU is likely to decrease, largely as a result of the implementation of policy measures and practices to prevent, detect and return irregular migrants. However, the stock of irregular migrants is unlikely to reduce markedly even if there were marked improvements in detection and removal rates of existing irregular migrants.

In the area of external borders and visa, it is anticipated that the current 300 million border-crossings annually will increase to around 324 million in 2014 and 350 million in 2020 (assuming a continuing average growth rate of around 2% in the number of trips). The challenge of managing the EU borders is thus likely to increase. In relation to the prevention of and fight against organised crime, aggregate levels of crime are anticipated to continue to remain stable but the nature of crime is expected to change with criminals using new technologies to commit crimes. Cross-border and organised crime can be expected to increase and become more sophisticated and international in nature. Developments for some types of organised crime are very difficult to predict. Drug trafficking is likely to stabilise or increase and it is hoped that trafficking in human beings will remain at current levels or that the introduction of new EU legislation will lead to a decline in the mid to long-term. Other types of crime such as fraud, money laundering and cybercrime, are expected to grow. With regard to the prevention, preparedness and consequence management of terrorism and other security-related risks, it can be anticipated that the continued efforts of Member States and EU legislative action will reduce terrorist activities and their consequent harm. However, the grievances and sources of radicalism that breed terrorism will continue and there is little prospect of the threat of terrorism reducing substantially in the foreseeable future.

Annex 3 provides a detailed description of the expected evolution of these policy challenges.

5.5.2. How the situation with the financial instruments is expected to evolve

Under shared management, the resources under the national programmes of the four Funds of the General Programme Solidarity and Management of Migration Flows have increased steadily over the last years. For 2012 and 2013, another 45% of the total envelope of the General Programme remains to be committed and spent. Bearing in mind the limitations and complexity of the regulatory framework and the accumulation of overlapping programming and reporting obligations under the annual programming cycles, involving ever increasing individual actions and potential complications in terms of eligibility and control, the continuation of this model under the next Multi-annual Financial Framework is not a viable option for the Commission and the Member States. In addition, the current management and

control system model is not fully compatible with the shared management model as foreseen in the upcoming revision of the Financial Regulation, for example in relation to the requirement incumbent on Member States to issue an annual management declaration audited by an independent body.

In relation to centralised direct management, a similar conclusion can be drawn. The back-loading of home affairs resources in the period 2013-2007 had an impact both on the size of the "Community actions" under the General Programme Solidarity and Management of Migration Flows and the two Specific Programmes of the General Programmes Security and Safeguarding Liberties (ISEC and CIPS). The resource implications resulting from the accumulation of outstanding calls and projects to be evaluated, monitored and controlled in accordance with the Financial Regulation and the principle of sound management, are becoming such for both beneficiaries and the Commission that they risk calling into question the added value of the efforts made.

Moreover, the area of home affairs being what it is, the daily management of these instruments has been subject to constant review and adjustment. The lack of flexibility of the existing framework makes it difficult to take into account properly the needs arising from unforeseen events such as the situation in the Mediterranean and from new policy developments, such as Joint Investigation Teams and other cross-border joint operations (e.g. COSPOL projects, pilot projects related to the 2010 Internal Security Strategy or the future "Harmony" operational action plans). Without a change to the existing framework, it will be increasingly difficult to address new needs and priorities in a timely manner.

6. OBJECTIVES

On the basis of the policy needs, problems and drivers that are anticipated in the period until 2020, the general and specific objectives of the future home affairs instruments are as follows:

General objectives	Specific objectives	Operational objectives
Enhance the effective management of migration flows to the EU in areas where the EU adds maximum value, in particular through solidarity, responsibility-sharing and cooperation with third countries	Facilitate legal migration to the EU in line with the economic and social needs of the Member States and support the integration of legally residing third-country nationals	<ul style="list-style-type: none"> - Increase the number of third-country nationals benefiting from social and/or legal services or specific assistance - Increase the number of third-country nationals benefiting from orientation, language and other support furthering their integration into society
	Support the implementation of the Common European Asylum System	<ul style="list-style-type: none"> - Increase the number of asylum seekers, refugees etc. who benefit from social and/or legal services or specific assistance - Increase and/or improve reception infrastructure and services - Increase the number of refugees resettled into and/or relocated within the EU
	Reduce irregular migration and promote voluntary return	<ul style="list-style-type: none"> - Increase the number of third-country nationals who benefit from social and/or legal services - Increase and/or improve the number of reception and/or

General objectives	Specific objectives	Operational objectives
		detention places - Increase the number of persons who return voluntarily
	Support the external aspects of the EU's migration policy	- Increase the number of third-country nationals benefiting from actions developed in the framework of a Mobility Partnership supported by the EU - Increase the number of refugees resettled into the EU in the context of Regional Protection Programmes supported by the EU - Increase the number of third-country nationals returned under readmission agreements supported by the EU
Enhance the EU's internal security through management of the external borders and law enforcement, including by strengthening the preparedness and response activities that are best supported by EU financial resources, in particular through transnational cooperation, economies of scale, public-private partnerships and cooperation with third countries	Strengthen EU external borders	- Equip, secure and/or enhance border crossing points with state-of-the-art technology to facilitate smooth and secure border checks - Increase local border traffic agreements - Introduce and/or upgrade border surveillance systems within the framework of EUROSUR, including through cooperation with third countries - Apprehend irregular immigrants at the EU external border
	Facilitate mobility across EU external borders	- Improve provision of consular services to third-country nationals abroad - Improve regional consular co-operation
	Reduce the risk of and increase detection and successful prosecution of cross-border and organised crime, terrorism and other serious security-related threats	- Develop methodologies, tools and structures, including new (interoperable) technologies and the exchange of best practices - Develop training schemes in implementation of EU training policies - Establish secure links and effective cooperation between crisis coordination actors at EU and national level
	Support the external aspects of the EU's internal security policy	- Increase the exchange of information between Member States/EU, Agencies and third countries - Improve operational co-operation between Member States/EU, Agencies and third countries

Given the wide ranging objectives and activities of the current home affairs instruments, the specific objectives are broader and less detailed than would be appropriate for any particular programme. The key purpose of these objectives is to provide a basis for assessing the options in relation to the future priorities within the two future Funds.

In achieving these specific policy objectives, due regard should also be given to the overall horizontal objective of simplification, and in particular the flexibility of the future Funds, the speedy release of funding in the event of emergencies and the reduction of administrative

workload. The options in relation to the delivery mechanisms will be assessed against these objectives.

7. POLICY OPTIONS

A number of options have been identified in order to address the problems identified earlier. The options concerning Issue A 'Funding priorities' aim at achieving an optimal distribution of funding within each of the two Funds in order to address the funding needs and priorities of the home affairs area. In addition, a number of options are considered in relation to the design of the delivery mechanisms under shared (Issue B) and centralised (Issue C) management, as well as an emergency response mechanism (Issue D).

7.1. Issue A – Funding priorities

The Communication "A Budget for Europe 2020"⁴¹ announced the simplification of the structure of EU funding in the home affairs area by reducing the number of financial programmes to two and proposes the following amounts of funding: (€ million)

Fund	Objective	Budget in 2011 prices	Budget in current prices
Migration and Asylum Fund (AMF)	Support actions in relation to asylum and migration, the integration of third-country nationals and return	€ 3,433 m	€ 3,869
Internal Security Fund (ISF)	Provide financial assistance for initiatives in the areas of external borders and internal security	€ 4,113 m	€ 4,648

It should be noted that this distribution of funding between the Asylum and Migration Fund and the Internal Security Fund (45% and 55% respectively) differs from the distribution between the 'migration' and 'security' envelopes under the 2007-2013 period in general, as well as from the distribution in 2013, the last year of the current financial framework.

A key challenge is how to distribute funding within the two Funds in order to meet the policy challenges described earlier whilst addressing the limitations identified for the current generation of financial instruments. Three options have been identified in relation to the distribution of resources within the Funds:

Option A.1 – 2013 level distribution (status quo)

Option 1 envisages the continuation in the period 2014-2020 of the distribution of funding in 2013. This means that under the AMF, actions in support of return and integration would each be allocated about 38% of funding, whereas support for asylum would represent 24% of the spending under the Fund. Under the ISF, funding for the management of the EU's external borders would reach 77% and the remaining 23% would be allocated to action in the area of internal security. There would be no specific component to support actions in relation to the external dimension of home affairs policies. Because this option reflects the most recent political choices and represents continuity of funding, it is the baseline scenario against which the other options will be assessed.

⁴¹ COM(2011)500 final – Parts I and II of 29 June 2011

Option A.2 – 2007-2013 average distribution

This option entails the continuation of the average distribution of the resources allocated to various home affairs policies under the existing financial instruments for the period 2007-2013. Because the home affairs budget increases by about 15% annually from 2007 to 2013 ('back-loading'), this distribution reveals the relative financial weight of each policy area under the current Multiannual Financial Framework. For the AMF, this option means that the majority of funding would be allocated to the integration of third-country nationals (38%), followed by spending on asylum and return on equal footing (30%). Under the ISF, about 70% of funding would be allocated to the management of the EU's external borders and just below 30% to internal security. As under Option 1, there would be no specific component to support the external dimension of home affairs policies.

Option A.3 – Re-distribution with external dimension component

The distribution of allocations within the two Funds would be adjusted to accommodate a component for the external dimension of home affairs which will provide funding for actions in or in relation to third countries which serve primarily EU needs and interests. They should therefore be distinguished from the funding which will be provided through the future EU external relations instruments for activities in third countries which aim primarily at supporting and strengthening third countries' capacities in the home affairs area according to their needs and priorities. Under the AMF, approximately 10% of the available funding would be earmarked for actions such as Regional Protection Programmes, the promotion of Mobility Partnerships with third countries (for example increased support to circular migration schemes which meet the labour needs of the Member States), and the implementation of re-admission agreements. A slightly lower share of about 5% would be allocated to the external dimension under the ISF to improve third countries' border management capacity and cooperate with them in the fight against trafficking, organised crime and terrorism. These shares were determined on the basis of the estimated needs as regards those external dimension activities that cannot be adequately covered through the external relations instruments. It is considered that such needs are higher in the area of asylum and migration; consideration was also given, when earmarking funding for these new activities, to the management and absorption capacity of potential beneficiaries.

Due to this shift to the external dimension, funding would have to be reduced somewhat across all policy areas but with more marked cuts in areas where the added value and impact of supporting external dimension activities is expected to be higher. The additional focus on the 'external' dimension of these areas (preventive actions, incentives to third countries, early assistance to refugees and asylum seekers, etc.) would reduce the need to fund the corresponding 'internal' policies. Under this option, support for integration and return would receive around 30% and 23% respectively. Under the ISF, about 75% would be allocated to the management of the external borders and 20% to internal security. The only policy area which would see an increase compared to 2013 would be asylum which would be allocated 36% of the funding available under the AMF.

A preliminary and indicative distribution of resources as described above for each of the options can be presented as follows (amounts expressed in € million, current prices):

Home Affairs Funds	Option 1 –	Option 2 –	Option 3 –
2014-2020	2013 level	2007-2013	Redistribution with external

	(status quo)		average		dimension	
AMF	%	Share	%	Share	%	Share
Asylum incl. resettlement	24,0%	929	30,6%	1,184	35,9%	1,389
Irregular immigration & return	38,0%	1,470	30,4%	1,176	23,3%	901
Integration (incl. EMN)	37,6%	1,455	38,4%	1,486	29,6%	1,145
External dimension	0,0%	-	0,0%	-	10,6%	410
Administrative support	0,4%	15	0,5%	19	0,6%	23
Total AMF	100%	3,869	100%	3,869	100%	3,869
ISF	%	Share	%	Share	%	Share
External borders and visa	76,5%	3,556	70,7%	3,286	74,7%	3,472
Organised crime & crisis management	23,2%	1,078	28,9%	1,343	20,2%	939
External dimension	0,0%	-	0,0%	-	4,7%	218
Administrative support	0,3%	14	0,4%	19	0,5%	23
Total ISF	100%	4,648	100%	4,648	100%	4,648

7.2. Delivery mechanisms

7.2.1. Issue B – Shared management

Option B.1 – Annual programming within multiannual framework (status quo)

This option consists of maintaining the current system which combines a common multiannual framework in line with broadly defined political priorities set in EU strategic guidelines with national annual programmes. Each year, the Member States and, in the case of the External Borders Fund, the Schengen associated states, would submit a draft annual programme which is subsequently approved by the Commission. Substantial changes to the programme would require approval by the Commission and amendment of programme. Each annual programme would be subject to monitoring, progress reports, pre-financing payments and closure.

Option B.2 – Multiannual programming

Under this option, there would be multiannual programming only, in line with current practice under the Structural Funds. The Member States and, in the case of the External Borders Fund, the Schengen associated states, would submit a draft multiannual programme which is subsequently approved by the Commission. Simplification is achieved by removing the burdensome step of translating the multiannual programme into annual programmes. In order to ensure sufficient flexibility after approval of the multiannual programmes, a monitoring mechanism would be introduced to assess progress regularly, possibly on a yearly basis in the context of annual progress reports and payment requests. Substantial changes to the multiannual programme would require approval by the Commission and the amendment of the programme. Each programme would be subject to monitoring, progress reports, pre-financing payments and closure.

Option B.3 – Multiannual programming with policy dialogue

This option entails multiannual programming preceded by a policy dialogue. At the start of the next Multiannual Financial Framework, the Commission would initiate a senior level policy dialogue on home affairs funding with individual Member States and, in the case of the Internal Security Fund, the Schengen associated states, prior to the negotiations on their multiannual programmes. This dialogue would focus on policy objectives and spending and would involve the central responsible authority of each Member State and, in the case of the Internal Security Fund, the Schengen associated state. It would thus pave the way for tailor-made programming and be the main vehicle for shaping the application of the partnership contract principle in the area of home affairs. Taking into account the outcome of the policy dialogue ('agreed conclusions'), the multiannual programmes would describe the baseline situation, lay down the general objectives Member States are seeking to achieve in the policy area and the objectives that are to be achieved using the resources of the Fund. For those objectives, the programme would identify targets and examples of key actions. In order to ensure sufficient flexibility after approval of the multiannual programmes, a monitoring mechanism would be introduced to assess progress regularly, possibly on a yearly basis in the context of annual progress reports and payment requests. Member States would also be given enough flexibility to support emergency actions or deal with unforeseen circumstances. Although changes to the national programmes are therefore less likely, the policy dialogue would be resumed if changes are needed.

7.2.2. Issue C – Centralised management (direct and indirect)

Option C.1 – Status quo

Centralised management would be retained for the implementation of a mixture of grants and procurement. In particular, centralised management would be used to provide financial support to transnational projects and non-state actors, including through operating grants for organisations pursuing an aim of general European interest, to promote policy-driven activities, to procure services in relation to large-scale IT systems, events and studies. A considerable amount would be implemented under centralised management.

Option C.2 – Procurement only

This option entails reducing the use of centralised management to procurement only. Such procurement would include services for the central (EU) components of large-scale IT systems and the IT-agency, as well as studies and events in the home affairs area. The use of grants would be discontinued.

Option C.3 – Improved and diversified centralised management

The use of centralised management would be maintained but diversified and improved. Procurement would be maintained mainly for services in relation to the central (EU) components of large-scale IT systems and the IT-agency, as well as for studies and events. In the area of grants, centralised management would not be implemented primarily through calls for proposals but by entrusting the implementation of specific tasks to existing EU agencies (indirect management), international organisations (contribution agreements) and civil society (framework partnerships). In a limited number of cases, for example to support actions by civil society, grants would still be awarded following calls for proposals. Ongoing simplification efforts will therefore be continued to improve this process such as better timing

calls for proposals, rendering the budget review exercise more efficient by reducing the level of budgetary detail required, the introduction of more favourable payment modalities (e.g. higher pre-financing payments) for starting projects and the closer monitoring of projects in order to detect potential problems earlier and take corrective action.

7.2.3. Issue D – Emergency response mechanism

Option D.1 – Status quo (mechanism for migration under shared management)

The current emergency response mechanism under shared management in the area of migration would be continued. Approval of emergency funding would therefore require a revision of the programme of the Member State requesting assistance. No emergency response mechanism would exist in the area of internal security.

Option D.2 – Improved mechanism extended to other migration-related crises and security crises

The current emergency response mechanism in the area of asylum would be brought under centralised management and extended to other migration-related crises (e.g. mixed flows). In order to allow for quick decision-making and flexibility, the implementation of emergency measures would be foreseen in an Annual Work Programme adopted by the Commission following consultation of the relevant Committee. Within this Annual Work Programme, an envelope would be set aside for emergency actions which could then be implemented by the most appropriate actors (national authorities/agencies, international organisations, civil society organisations). In order for this to be done quickly, framework agreements would have to be put in place with these actors beforehand. The duration of emergency measures would be extended from the current 6 to 18 months. A similar mechanism would be introduced in the area of internal security.

Option D.3 – Improved mechanism extended to other migration-related crises and inclusion of security under the EU Solidarity Fund

The mechanism described under Option D.2 would be introduced in the area of migration but without extending it to the internal security area. Instead, crises and emergencies in the field of internal security could be included in the scope of the EU Solidarity Fund⁴², which was set up to respond in a rapid, efficient and flexible manner to come to the aid of any Member State in the event of a major natural disaster.

8. IMPACTS OF THE POLICY OPTIONS

The impacts of the policy options are discussed below. No environmental impacts were identified. It should also be noted that all activities that will be financed under the two Funds must respect the fundamental rights and freedoms of both citizens of the EU and other persons for which the Union has responsibility. Based on a qualitative assessment of the expected performance of each option against the specific objectives and the baseline scenario, the options have been scored on a 7-point scale in order to identify the preferred option.

⁴² Council Regulation (EC) No 2012/2002 of 11/11/2002 establishing the European Union Solidarity Fund, OJ L 311, p. 3–8

xxx	Significant negative impact
xx	Medium negative impact
x	Small negative impact
0	No impact
√	Small positive impact
√√	Medium positive impact
√√√	Significant positive impact

Consideration has been given to the anticipated trends and challenges likely to be faced in the EU home affairs policy areas post 2013, stakeholder opinion and the experience of interventions and activities in the home affairs area to date.

8.1. Issue A – Funding priorities

Option A.1 – 2013 level distribution (status quo)

(i) Asylum including resettlement: Although funding would remain at the 2013 level, this constitutes an overall reduction of 7 percentage points compared to the average 2007-2013 level of funding for asylum. Such a decrease in support for the common asylum policy will make the creation of a ‘Europe of Asylum’ with common standards more difficult to achieve. Funding levels may be insufficient to allow the Member States' asylum systems to cope adequately with complex and fluctuating migration flows and some Member States would have to bear disproportionate costs for hosting refugees and asylum seekers. Although some activities may still be developed by non-governmental and international organisations, this would likely be limited since many such organisations benefit from EU funding for these activities. Funding for resettlement operations would be insufficient. Although EASO would play an important role in assisting Member States, there would be insufficient resources for additional support to those Member States who have to cope with particular pressures on their asylum systems. Overall, an improvement in standards can be expected which will be beneficial to those seeking and in need of asylum or international protection. However, these effects are likely to fall short of all the needs in this area.

(ii) Legal migration and integration of legally residing third-country nationals: The level of funding for integration measures would remain constant at 38%. The continuation of funding for integration measures would allow Member States to continue setting-up national/regional strategies for the integration of third-country nationals or to strengthen the strategies already in place. Although this support is expected to lead to the better integration of third-country nationals into their receiving society and therefore to have positive impacts on social cohesion and the EU economy, the added value of funding for capacity building is likely to diminish as Member States progress in the implementation of their strategies.

(iii) Irregular immigration and return: Funding would remain at the 2013 level and represent 38% of the AMF budget, an increase of 8 percentage points compared to the overall funding allocated to return operations in the period 2007-2013. EU funding would therefore continue to be made available to Member States to build return management capacity. The current activities on voluntary return and forced return, assistance to the target groups,

capacity building for Member States, including through training on EU return standards, would be continued, whilst adding support for detention / reception capacity. Although Member States would be better equipped to return the numbers of irregular migrants they are currently confronted with, the added value of further / continued capacity building is likely to diminish over time.

(iv) External borders and visa: The maintenance of the level of funding at the 2013 level (77%) represents an increase by 6 percentage points compared to the overall 2007-2013 funding level. This level of funding would allow the efforts of those Member States who carry out border control tasks on behalf of and in the interest of the EU as a whole to be supported systematically from the EU budget thereby giving concrete expression to the principles of solidarity and responsibility-sharing. Additional activities would consist of financial support for the use of new technologies to create an integrated border management system at EU level (future large-scale IT systems such as the Entry/Exit System and Registered Traveller Programme) that would improve border security and generate positive economic impacts because it would promote innovation, facilitate travel of bona fide travellers to and from the EU. A more consistent use of EU funding for consular co-operation on visa would allow for efficiency gains and would have a positive impact on the EU economy. Similar impacts would result from support for local border traffic arrangements in particular border areas with increased local border traffic and trade. Financial support for the creation of EUROSUR would also lead to a reduction in irregular migration and cross-border crime and a decrease in the loss of migrants' lives at sea. The activities of Frontex would be further boosted by its capacity to have own equipment and to receive funding to co-operate more actively with third countries.

(v) Organised crime, terrorism and other security-related threats: By maintaining the level of funding in the area of internal security at the 2013 level (23%). Although the level of funding would suffice to achieve the main priorities in the area of internal security and would therefore improve the security of the EU in the long-term, it would remain difficult to fund the activities of joint investigation teams or newer policies such as emergency support and crisis management where flexibility is essential. Despite the important role of Europol, practical cooperation between Member States and between Member States and neighbouring countries would not be optimised.

(vi) External dimension: Although it would still be possible to support the limited types of activities in third countries that can be covered by the current financial instruments, such as reintegration assistance for returnees and resettlement of refugees, and funding to third countries would still be provided through external aid instruments, no substantial funding would be available for the external dimension of home affairs. This lack of adequate funding to support activities in third countries serving primary EU interests and needs would therefore remain unaddressed. The EU would therefore not be able to increase its leverage with third countries to encourage them to engage with the EU on issues of relevance to the EU and the Member States and which might not be priority issues for the third countries themselves (readmission, fighting irregular migration, reinforcing border management etc.). For example, in the area of asylum, insufficient funds would be available to provide substantial support Regional Protection Programmes.

Option A.1 – 2013 level distribution (status quo)	Rating
Facilitate legal migration to the EU in line with the economic and social needs of the Member States and support the integration of legally residing third-country nationals	0

Support the implementation of the Common European Asylum System (CEAS)	0
Reduce irregular migration and promote voluntary return	0
Strengthen EU external borders	0
Facilitate mobility across EU external borders	0
Reduce the risk of and increase detection and successful prosecution of cross-border and organised crime, terrorism and other serious security-related threats	0
Support the external aspects of the EU's migration and internal security policies (external dimension)	0

Option A.2 – Average 2007-2013 distribution

(i) Asylum including resettlement: About 31% of funding under the AMF would be allocated to asylum. As this constitutes an increase of 7 percentage points compared to 2013 funding levels, this would allow the EU and the Member States to improve asylum standards, address complex and fluctuating migration flows and deal with disproportionate pressures on their asylum systems. However, it will not be possible to provide sufficient support for setting-up an EU resettlement scheme and there would still be no additional financial incentive to the Member States for the intra-EU transfer of beneficiaries of international protection ('relocation'). Although improvements can therefore be expected for those seeking and in need of asylum or international protection, solidarity and responsibility-sharing at EU level would not be optimised.

(ii) Legal migration and integration of legally residing third-country nationals: Support for integration measures would receive 38% of the AMF budget, the same as the 2013 level. The likely impacts are therefore expected to be similar to those under Option 1.

(iii) Irregular immigration and return: Actions in the area of return would receive 30% of the AMF budget, representing a drop of about 8 percentage points compared to the 2013 level. A reduction in EU support for the return of irregular migrants and for the pooling of resources at EU level for return operations will increase the cost of these operations for Member States. The number of returns is therefore likely to decrease across Europe, resulting in an increased number of irregular migrants remaining in the EU. Cuts in EU funding for measures to control irregular migration flows would probably lead Member States to cooperate bilaterally with countries encountering similar challenges or with third countries directly, to have some leverage over future migrant numbers. Although Member States acting in their own interest may reduce migrant flows to their own country, they may divert and increase flows to other Member States. Overall, the number of irregular migrants entering the EU could therefore be expected to increase as efforts at prevention and return would be less effective when Member States act alone. Because irregular immigrants are often employed in the illicit economy, they are particularly vulnerable to exploitation. This situation would likely get worse. These impacts could be mitigated somewhat through increased support from Frontex for return activities, in particular the pooling of resources.

(iv) External borders and visa: 71% of the ISF budget would be allocated to support for the management of the EU external borders and visa, a reduction of 6 percentage points compared to the 2013 level. This reduction will necessitate a shift away from overall capacity building efforts towards specific projects such as the implementation of EUROSUR and/or the

development of new IT systems (Registered Traveller Programme, Entry/Exit System). This would allow some new developments and the EU and Member States to maintain current levels of border security. However, it would be insufficient to support the notion of border control as a 'public service' carried out by Member States on behalf of and in the interest of the EU as a whole. Solidarity and responsibility-sharing would therefore not be optimised.

(v) Organised crime, terrorism and other security-related threats: Internal security would be allocated 29% of the ISF budget, an increase of 6 percentage points compared to the 2013 level. By strengthening practical cooperation between law enforcement authorities through financial support for joint operations (including Joint Investigation Teams), the pooling of resources, the exchange of information, the development of common risk analyses and the greater use of financial investigation tools, IT systems and secure communication channels, Member States would be able to more effectively combat serious and organised crime in its many forms, at national and at EU level. In the area of cybercrime, support for a Cybercrime Centre would lead to reducing the incentive for this lucrative type of crime and its impact on the European economy. Support to victims of terrorism and to civil society organisations would expose and challenge violent extremist acts and propaganda, help de-legitimise and de-glamorise terrorism and raise awareness about preventing violent radicalisation. EU agencies such as Europol and Cepol would be reinforced to play a key role in the implementation of practical cooperation measures.

(vi) External dimension: As under Option 1, the external dimension of home affairs policies would not be addressed except for the very limited actions mentioned before that can be covered by the current financial instruments. The likely impacts are expected to be the same.

Option A.2 – Average 2007-2013 distribution	Rating
Facilitate legal migration to the EU in line with the economic and social needs of the Member States and support the integration of legally residing third-country nationals	√√
Support the implementation of the Common European Asylum System (CEAS)	√
Reduce irregular migration and promote voluntary return	xx
Strengthen EU external borders	x
Facilitate mobility across EU external borders	√
Reduce the risk of and increase detection and successful prosecution of cross-border and organised crime, terrorism and other serious security-related threats	√√
Support the external aspects of the EU's migration and internal security policies (external dimension)	0

A.3 – Re-distribution with external dimension component

Under this option, there would be a shift towards support for the external dimension of home affairs policies which would require a corresponding shift in the distribution of allocations within the two Funds, with approximately 10% earmarked for such actions under the AMF and 5% under the ISF. This funding will form part of a single envelope, implemented under centralised management, to be spent on the basis of an Annual Work Programme in view of policy developments or the situation in third countries. It is therefore not possible to provide a breakdown of the allocations for the external dimension per policy area.

(i) Asylum including resettlement: The increased levels of funding for asylum (12 percentage points increase compared to the 2013 level) would not just allow the EU and the Member States to improve asylum standards, address complex and fluctuating migration flows and deal with disproportionate pressures on their asylum systems. It would also allow for the setting-up of an EU resettlement scheme and to provide additional financial incentives to the Member States for the intra-EU transfer of beneficiaries of international protection ('relocation'). The additional funding available for the external dimension of asylum policy would enable the EU to provide more comprehensive support for Regional Protection Programmes aimed at providing assistance to refugees and displaced persons in their region of origin, rather than seeking at all cost to come to the EU. Support would also be possible for a number of targeted activities in third countries to alleviate the burden on these countries and create an equitable sharing between the EU and Member States in finding durable solutions within the international refugee protection system such as the joint processing of requests for international protection in the regions of origin by Member States. The operational efficiency gains thus delivered would enable a more effective system of responsibility-sharing for receiving and processing asylum seekers among Member States and third countries, and take into account in a more strategic manner Member States' reception capacity in allocating persons in need of international protection. Hence benefits would be found in the reduction of the disproportionate flows of refugees and asylum seekers to some Member States and a fairer sharing of responsibility among Member States.

(ii) Legal migration and integration of third-country nationals: Although the level of funding for integration would be reduced quite significantly compared to the 2013 level (8 percentage points), sufficient funding would be available to support Member States' efforts to improve the integration of third-country nationals. However, with the reduction in the level of funding, there is a need to limit and concentrate funding on the areas where it reaches most directly and effectively the target population and underscores best the added value of EU intervention on the ground. This means that, with capabilities having been put in place at national level in the period 2007-2013, focus would shift to a more targeted approach in support of strategies specifically designed to promote the integration of third-country nationals, including refugees, asylum seekers and beneficiaries of international protection, at local level, implemented mainly by local or regional authorities and non-state actors. This will lead to a more effective integration of third-country nationals into their local communities. Beneficial impacts are expected on social cohesion and the EU economy in general and third-country nationals' employment opportunities in particular. In relation to legal migration, the additional funding available for the external dimension would allow a more comprehensive support to the implementation of Mobility Partnerships. Coupled with strengthened collaboration and cooperation of the EU with international organisations (e.g. IOM, ILO), this would help maximise the operational synergies between EU institutions and agencies, the Member States and these international organisations, thereby leading to a greater effectiveness of funding in this area.

(iii) Irregular immigration and return: The level of funding for return operations would be reduced significantly compared to the 2013 level (15 percentage points). Return operations would therefore have to focus on assisted voluntary return (although forced return remains possible), reintegration measures and improving the detention capacity of Member States. The overall aim of this shift would be to concentrate resources on an area of intervention where there would be the highest impacts in terms of the size of the migratory flows affected, more coherence between Member States and a better treatment of the target population. There would be a shift from overall capacity building efforts, including training activities which

were supported sufficiently in the period 2008-2013, towards a more concentrated effort in favour of substantially improving the quality of case management by Member States, enabling Member States to offer the means to provide a meaningful incentive for repatriation to all potential returnees and ensuring full compliance with the twin principles of the primacy of voluntary return under EU standards and the humane and dignified treatment of all potential returnees before, during and after their return throughout the EU, in accordance with EU and human rights standards. Frontex would complement current return activities by increasing the coordination of joint returns. The additional, substantial funding for the external dimension would support the implementation of readmission agreements to facilitate the swift return of irregular migrants and would therefore contribute significantly to fighting irregular migration. The cumulative impacts of the EU resettlement scheme, Regional Protection Programmes, Mobility Partnerships and readmission agreements could reduce the need for emergency funding for sudden migratory pressures, the need for international protection in the Member States, the incidence of irregular entry into the EU and the need for funding return operations.

(iv) External borders and visa: The level of funding would remain stable at the 2013 level. The impacts would therefore be the same as those described under Option 1. However, through the external dimension component, EU funding would also be available to support third countries to link their systems and infrastructures to the EU's in order to allow for regular exchange of information and to improve their capabilities to co-operate with the border guards services of the Member States. These funding activities would complement and reinforce the activities of Frontex under its enhanced mandate under the amended Regulation to develop more efficient cooperation between Frontex and third countries on border management. This is likely to increase the detection rates of irregular migrants or prevent their entry into the EU and would therefore enhance the security of the EU's external borders, without necessitating additional investments by Member States and Frontex in equipment and infrastructure and whilst making additional specific investments in enhancing the efficiency of the integrated border management system as a whole, through the smart border package.

(v) Organised crime, terrorism and other security-related threats: The share of funding allocated to internal security would decrease slightly (3 percentage points) compared to the distribution in 2013. Nevertheless, this would still amount to an overall increase in financial resources for internal security compared to the resources allocated on average to security in the period 2007-2013. By focusing spending on a more limited number of areas (contrary to the current instruments which cover too wide a range of activities), the main priorities in the area of internal security can be achieved, thereby improving the security of the EU in the long-term. The support available for the external dimension of internal security policies, notably the prevention of and fight against serious and organised crime (cybercrime, trafficking, drugs, international criminal networks etc.) and the prevention, preparedness and consequence management of terrorism and other security-related threats would lead to an increased understanding of the security threats originating in third countries. Coupled with cooperation with these countries in other domains such as migration management, this would increase the effectiveness of interventions aimed at preventing and detecting potential terrorist and organised crime threats.

Overall, the inclusion of a sizeable external dimension component in the Asylum and Migration Fund and Internal Security Fund will ensure a better protection of EU home affairs interests outside the EU, notably through support to actions starting in the EU and continuing in third countries or vice-versa. This will allow the EU not just to address the consequences of migration flows and organised crime and terrorism but seeks also to foster preventive action in third countries. The beneficial consequences of such action could include a reduction in the

number of persons entering the EU in need of asylum or other forms of international protection and in the number of irregular migrants crossing the EU external borders, as well as a reduction in cross-border crimes such as trafficking of human beings, drug and weapons trafficking. Increased cooperation with third countries would also allow better management of legal/labour immigration and thus better tackle labour shortages in the EU, notably as regards highly skilled migrants, seasonal workers, student exchanges, etc. Such funding would be fully coherent with the assistance provided through the external relations instruments which serve primarily the development needs and priorities of third countries.

Option A.3 – Redistribution with external dimension component	Rating
Facilitate legal migration to the EU in line with the economic and social needs of the Member States and support the integration of legally residing third-country nationals	√√
Support the implementation of the Common European Asylum System (CEAS)	√√√
Reduce irregular migration and promote voluntary return	√√
Strengthen EU external borders	√√
Facilitate mobility across EU external borders	√√
Reduce the risk of and increase detection and successful prosecution of cross-border and organised crime, terrorism and other serious security-related threats	√√
Support the external aspects of the EU's migration and internal security policies (external dimension)	√√√

8.2. Delivery mechanisms

8.2.1. Issue B – Shared management

Option B.1 – Annual programming within multiannual framework (status quo)

Maintaining annual programming within a multiannual framework would allow for the choice and implementation of actions aligned more to evolving EU priorities. However, the system is extremely complex, time-consuming and difficult to manage. Due to the reduction of the number of Funds to two, the number of annual programmes would be reduced by about 50% from around 700 in the period 2007-2013 to around 392 for the period 2014-2020. Although this constitutes an improvement, the administrative workload in relation to the management of these annual programmes (adoption, monitoring, revisions, closure etc) for both the Commission and Member States will remain heavy because of the accumulation of overlapping programming and reporting obligations under the annual programme cycle, and would be disproportionate to the volume of funding channelled through the Funds. This option also does not allow aligning the home affairs Funds with other shared management instruments. The closure procedure would also be incompatible with the procedure foreseen in the revised version of the Financial Regulation.

Option B.1 – Annual programming within multiannual framework (status quo)	Rating
To improve the flexibility of the home affairs Funds	0
To reduce administrative workload for all stakeholders	0

Option B.2 – Multiannual programming

Under this option, there would be a total of around 56 multiannual programmes to manage (depending on the number of Member States and associated countries that will participate). The use of multiannual programming only will significantly reduce the administrative workload for both the Commission and the Member States and the Schengen associated countries as they will not have to manage 392 annual programmes. In addition, this approach would bring the programming of the two home affairs Funds in line with that of other shared management instruments, thereby increasing coherence and clarity for all stakeholders. Although policy priorities and objectives would be set within a more flexible, multiannual framework, the nature of home affairs policies is often such that there is a continuous need to address changes in the situations in the Member States and in third countries (migration flows, security threats), as well as technological advances, increases in passengers flows; developments in the Schengen area. Despite the increased flexibility it offers, multiannual programming does not adequately address the specificities of the home affairs area.

Option B.2 – Multiannual programming	Rating
To improve the flexibility of the home affairs Funds	√√
To reduce administrative workload for all stakeholders	√√

Option B.3 – Multiannual programming with policy dialogue

As under option B.2, there would be a total of around 56 multiannual programmes, resulting in a significant reduction in workload (without 392 annual programmes to manage). The senior level policy dialogue which would take place at the start of the 2014-2020 programming period would focus on policy priorities, objectives and results to be obtained and would therefore constitute a type of 'partnership contract' in the home affairs area. The introduction of a more results-driven approach will enable the Commission to drive the process of reviewing with the Member States their objectives and targets in accordance with EU priorities and interests whilst taking into account the specific needs and circumstances in the individual Member States. Because of the combination of simplification and results-oriented programming, this approach constitutes a major improvement on the status quo.

Option B.3 – Multiannual programming with policy dialogue	Rating
To improve the flexibility of the home affairs Funds	√√√
To reduce administrative workload for all stakeholders	√√√

8.2.2. Issue C – Centralised management (direct and indirect)

Option C.1 – Status quo

In view of the net budget increase for home affairs policies in the period 2014-2020, maintaining centralised management for the implementation of procurement and grants would result in significant amounts being spent this way, in particular in relation to internal security, where centralised management would remain the main delivery mechanism. Without efforts to simplify rules and streamline procedures, this will generate an even bigger increase in the administrative workload for both the Commission and final beneficiaries. This, in turn, is likely to result in an increased risk of errors. Cuts in public spending at EU and national level

are expected to compound this situation, as a reduction of human resources to manage these funds and may increase this risk further.

Option C.1 – Status quo	Rating
To improve the flexibility of the home affairs Funds	0
To better support specific EU objectives and activities	0
To reduce administrative workload for all stakeholders	0

Option C.2 – Procurement only

Reducing centralised management to spending on procurement only would decrease the resources needed on the part of the Commission to manage the implementation of grants. Although funding for Member States' national programmes would continue under shared management, there would be no tools to support policy-led, innovative actions (such as pilot projects), to stimulate transnational co-operation (especially in the area of security) or to directly support and reinforce the role of civil society in implementing home affairs policies (especially in the area of migration). This option is therefore incompatible with demands from civil society organisations and international organisations for increased support for their interventions. As emergency response spending would be kept under shared management, there would be no improvement in the EU's ability to react quickly and effectively in the case of crises.

Option C.2 – Procurement only	Rating
To improve the flexibility of the home affairs Funds	√√
To better support specific EU objectives and activities	××
To reduce administrative workload for all stakeholders	√√√

Option C.3 – Improved and diversified centralised management

The use of diversified and improved centralised management would allow the Commission to maintain grants to support innovative, policy-driven actions and to ensure that these are implemented more effectively and efficiently by the most appropriate actors in the field, be it non-governmental organisations, agencies, international organisations, Member States etc. Although this change in approach may initially lead to a moderate increase in administrative workload for the Commission because of the need to put in place contribution agreements and framework partnerships, the use of such partnerships and agreements will in the long-term lead to better relations with key stakeholders and an overall reduction in workload for both the Commission and these stakeholders. Using the indirect management mode to enable the home affairs agencies to implement specific tasks in accordance with priorities as identified by the Commission, including in third countries, is expected to improve synergies and coherence. Recourse to fewer but better organised open calls for proposals will also considerably decrease the administrative workload for the Commission and beneficiaries and speed up the grant application process. This option reconciles the need for more sustained support for the interventions of international organisations with the need to support the efforts of civil society organisations without eliminating competition for funding.

Option C.3 – Improved and diversified centralised management	Rating
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To improve the flexibility of the home affairs Funds	√√√
To better support specific EU objectives and activities	√√√
To reduce administrative workload for all stakeholders	√

8.2.3. Issue D – Emergency response mechanism

Option D.1 – Status quo (mechanism for migration under shared management)

The continuation of the current emergency response mechanism under shared management in the area of migration would not improve the EU's ability to react quickly and effectively to crises. The time needed to release funding would remain too long and the available funding would be too limited to have a significant impact. In the absence of an emergency response mechanism in the area of internal security, the EU will also not be able to react appropriately to crisis situations such as terrorist attacks or large-scale cyber attacks, which require an immediate and flexible response.

Option D.1 – Status quo (mechanism for migration under shared management)	Rating
To improve EU emergency response in the area of migration	0
To improve EU emergency response in the area of security	0
To reduce administrative workload for all stakeholders	0

Option D.2 – Improved mechanism and extension to other migration-related and security crises

Bringing the emergency response mechanism in the area of migration under centralised management would significantly speed up the time needed to release emergency funding and would allow the Commission to choose the most appropriate implementing partner for such funding (national authorities/agencies, international organisations, civil society organisations). Extending the duration of such emergency measures to 18 months will enable these actors to address more completely the continuing needs arising from emergency interventions. Extending the mechanism to include migration crises other than those that are asylum-related will allow the EU to also respond to mixed flows. The inclusion of a similar emergency response mechanism in the Internal Security Fund will enable the EU to also react quickly and effectively to crises in the area of internal security.

Option D.2 – Improved mechanism and extension to other migration-related and security crises	Rating
To improve EU emergency response in the area of migration	√√√
To improve EU emergency response in the area of security	√√√
To reduce administrative workload for all stakeholders	√√

Option D.3 – Improved mechanism extended to other migration-related crises and inclusion of security under the EU Solidarity Fund

The impacts of an improved emergency response mechanism under centralised management for migration-related emergencies would be as described under Option D.2. The extension of the scope of the EU Solidarity Fund to include emergencies resulting from man-made crises in the area of internal security would avoid the need to create a specific mechanism in the Internal Security Fund. Although this could be expected to lead to some initial savings in terms of administrative workload for the Commission, these are unlikely to be significant. The extension of the scope of the existing instrument beyond natural disasters may lead to a loss in focus and funding available for such disasters. For this reason, a prior proposal to include also man-made disasters in the scope of the EU Solidarity Fund was blocked in Council.

Option D.3 – Improved mechanism extended to other migration-related crises and inclusion of security under the EU Solidarity Fund	Rating
To improve EU emergency response in the area of migration	√√√
To improve EU emergency response in the area of security	√√
To reduce administrative workload for all stakeholders	√√

9. COMPARING THE OPTIONS

9.1. Issue A – Funding priorities

The assessment of the distribution of funding within each of the two Funds highlighted that in relation to asylum, Option 2 ('average 2007-2013') constitutes an improvement on Option 1 (Status quo '2013 level') but would fall short of providing sufficient financial incentive for setting up an EU-resettlement scheme and the intra-EU transfer of beneficiaries of international protection. Only the distribution proposed under Option 3 ('Redistribution with external dimension component') would enable this and would therefore optimise responsibility-sharing and fairness at EU level in this area.

The spending level proposed for the fight against irregular immigration and return under Option 1 would allow Member States to continue return management capacity building in particular detention / reception capacity. Nevertheless, the cut in spending proposed under Options 2 and 3 compared to 2007-2013 levels would not jeopardise support for Member States' basic return operations. Rather, it would encourage them to focus their efforts on actions which would have the biggest impact of the size of the migratory flows affected, more coherence between Member States and a better treatment of the target population.

In relation to support for integration of third-country nationals, there is no significant difference in the distribution of funding between Options 1 and 2. Although Option 3 envisages a reduction in such support, due to the reduced need for and added value of capacity-building over time, the proposed level would be sufficient to support integration strategies specifically designed to promote integration at local and regional level.

All three options would enable funding for important new developments towards an integrated border management system, notably in relation to the implementation of EUROSUR and the development of innovative IT systems. Contrary to Options 1 and 3, funding under Option 2 would be insufficient to systematically support the notion of border control as a 'public service' carried out by Member States for and on behalf of other Member States and the EU as a whole.

In relation to the fight against organised crime, terrorism and other security-related risks, the level of funding proposed under Option 2 is the highest and would therefore allow for comprehensive support to transnational practical cooperation between law enforcement authorities, the pooling of resources, the exchange of information, the development of common tools (such as IT systems and secure communication channels) and risk analyses, as well as preventive actions such as support for victims, awareness raising and anti-radicalisation efforts. Nevertheless, the reduced support proposed under Options 1 and 3 would be sufficient to achieve the main priorities in the area of the internal security.

Options 1 and 2 do not include a specific funding component for the external dimension of home affairs policies. Although more funding is therefore available for the "internal" aspects of these policies, this funding is not necessarily spent where it has the greatest effect. By contrast, the sizeable external dimension component proposed under Option 3 would have a significant "preventive" impact on all home affairs policies and would therefore reduce the overall level of funding needed for the internal aspects of these policies.

The table below presents a comparison of the rating of the options for Issue A:

Issue A – Funding priorities	Option 1 – Status quo '2013 levels'	Option 2 – Status quo 'average 2007-2013 levels'	Option 3 – 'Redistribution with external dimension'
Facilitate legal migration to the EU in line with the economic and social needs of the Member States and support the integration of legally residing third-country nationals	0	√√	√√
Support the implementation of the Common European Asylum System (CEAS)	0	√	√√√
Reduce irregular migration	0	××	√√
Strengthen EU external borders	0	×	√√
Facilitate mobility across EU external borders	0	√	√√
Reduce the risk of and increase detection and successful prosecution of cross-border and organised crime, terrorism and other serious security-related threats	0	√√	√
To support the external aspects of the EU's migration and internal security policies (external dimension)	0	0	√√√
Overall rating	0	√	√√

9.2. Issues B, C and D – Delivery mechanisms

Issue B – Shared management

Option 1 (status quo) would have a very negative impact on administrative workload and would not meet Member States' demands for simplification. The shift to multiannual programming proposed under Option 2 would constitute a significant improvement on the status quo as it would reduce the number of programmes to be managed by the Commission

and the Member States. Alignment with other EU instruments under shared management, in particular the Funds covered by the Common Strategic Framework, would also increase coherence and clarity for all stakeholders. Despite offering increased flexibility, Option 2 would not address the continuous need to respond to changing situations in the Member States and third countries, typical of the home affairs area. The policy dialogue proposed under Option 3 would address this need and would also allow for a more results-driven shared management.

Issue B – Shared management	Option 1 – Status quo	Option 2 – Multiannual programming	Option 3 – Multiannual programming with policy dialogue
To improve the flexibility of the home affairs Funds	0	√√	√√√
To reduce administrative workload for all stakeholders	0	√√	√√√
Overall rating	0	√√	√√√

Issue C – Centralised management (direct and indirect)

Of the three options considered, Option 1 (status quo) is the least attractive because it offers little or no prospect of simplification or reduction of administrative workload. In this respect, Option 2 (procurement only) would constitute a significant improvement although it would eliminate completely the possibility of promoting policy-driven actions, stimulating transnational co-operation and supporting civil society through grants. Although it would carry a higher administrative workload than Option 2, Option 3 would lead to a more targeted, less resource-intensive and diversified centralised management through recourse to framework partnerships, contribution agreements, indirect management and a limited use of improved open calls for proposals.

Issue C – Centralised management	Option 1 – Status quo	Option 2 – Procurement only	Option 3 – Improved, diversified centralised management
To improve the flexibility of the home affairs Funds	0	√√	√√√
To better achieve specific EU objectives and activities	0	××	√√√
To reduce administrative workload for all stakeholders	0	√√√	√
Overall rating	0	√	√√

Issue D – Emergency response mechanism

Option 1 (status quo) clearly does not meet the need for the EU to respond more quickly and effectively to crises in the areas of migration and security. Option 2 would constitute a marked improvement on the status quo because it would allow for a rapid release of funding in case of migration-related crises (not just asylum) and in addition, it would include a dedicated response mechanism in the Internal Security Fund. Although Option 3 also constitutes an improvement on Option 1 because it envisages a faster release of funds under

centralised management in the area of migration, the extension of the scope of the EU Solidarity Fund to (man-made) crises in the area of security is likely to meet opposition from Member States because of the risk that it would reduce the focus of the instrument.

Issue D – Emergency response mechanism	Option 1 – Status quo	Option 2 – Improved mechanism (migration) + internal security	Option 3 – Improved mechanism (migration) + EU Solidarity Fund
Improve EU emergency response in the area of migration	0	√√√	√√√
Improve EU emergency response in the area of security	0	√√√	√√
To reduce administrative workload for all stakeholders	0	√√	√√
Overall rating	0	√√√	√√

10. THE PREFERRED OPTION(S)

On the basis of the above assessment, Option A.3 ('Redistribution with external dimension component') emerged as the preferred option for the distribution of resources within the two Funds.

In relation to the delivery mechanisms, the preferred option would consist of a combination of Option B.3 ('Multiannual programming with policy dialogue'), Option C.3 ('Procurement and indirect management') and D.2 ('Improved mechanism and extension to migration-related and security crises'). Their implementation is discussed in more detail below.

10.1. Implementation of the preferred option(s)

Shared management will be the main management method for delivering home affairs funding as it would be extended to include internal security. This will be accompanied by a move away from the current system of annual programming towards a multi-annual programming approach with a policy dialogue. This is expected to result, after the first two years during which old and new instruments will overlap, in a more flexible approach to programming and a significantly reduced workload for the Commission, the Member States and the beneficiaries. The procedures and systems that will be set-up for the two home affairs Funds will be aligned to the maximum possible extent with the arrangements that will apply to the other EU instruments under shared management, in particular the Funds covered by the Common Strategic Framework. Ideally, a common Committee will be established for the two Funds and each Member State would be obliged to designate a central Responsible Authority so as to ensure that there is a single interlocutor for the Commission. This would also allow the Member States to focus on an integrated and output-oriented approach.

Despite the increased use of shared management, some types of actions are usually best implemented under direct management, such as transnational actions, innovative projects, support for civil society, studies and events and actions with an external dimension and/or requiring the quick mobilisation of EU funds. Although the overall amount managed by the Commission in centralised management would therefore remain quite high, at a time of zero growth in the human and administrative resources available to the Commission, future

centralised management should not be primarily implemented through calls for proposals but in a more flexible and efficient way by delegating tasks to existing EU agencies, international organisations (contribution agreements) and civil society (framework partnerships). This would entail the elaboration and adoption of an Annual Work Programme by the Commission which would include the possibility of funding for emergency response, external dimension, transnational and particularly innovative actions. These actions would then be implemented by the most appropriate actor(s) (agencies, international organisations and civil society organisations). Access to funding will also be improved through streamlining of application procedures, the introduction of more favourable payment modalities for starting projects and the reduction of administrative burden.

The rules on eligibility of expenditure under shared management closely follow the eligibility rules of the Funds covered by the Common Strategic Framework. As such, the eligibility of expenditure will be determined on the basis of national rules, subject to a limited number of common, simple principles. In relation to the eligibility of expenditure, these common principles will provide that, in addition to the reimbursement of eligible costs actually incurred and flat-rate financing for indirect costs (already possible under the current home affairs instruments), grants for which the support from the EU budget does not exceed €50.000 will take the form of standard scales of unit costs and lump sums.

Moreover, in response to demands from stakeholders, the provisions in relation to the use of flat-rates for indirect costs will be expanded to better meet the needs of beneficiaries. Instead of capping indirect costs at a maximum of 7% of eligible direct costs, as is currently the case under the home affairs Funds, the new rules will allow indirect costs to be calculated as a flat rate of up to 20% of eligible direct costs, where the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of action/project or beneficiary. Alternatively, indirect costs can also be calculated as a flat rate of up to 15% of eligible direct staff costs (so well adapted to projects where staff costs are the main costs) or as a flat rate applied to eligible direct costs based on existing methods and corresponding rates, applicable in Union policies for a similar type of action/project and beneficiary. In relation to centralised management, similar flexibility will be included in the Financial Regulation and will be used as much as possible.

The role of the home affairs agencies will also be enhanced as they would implement specific tasks in accordance with priorities and guidelines set by the Commission, as appropriate. Making more effective use of the competences and expertise of the home affairs agencies, will necessarily imply recourse to the indirect management mode which allows the Commission to entrust the agencies with the implementation of specific operational tasks in the framework of their missions and in complementarity with their work programmes. This would be the case for actions which are of an ad hoc nature and where their successful implementation relies on the operational and technical expertise of the agencies. It is important to note that funding would not be automatically distributed to the agencies at the beginning of the period 2014-2020, but would only be allocated to them to implement specific and ad-hoc operational tasks in accordance with priorities as identified by the Commission, including in third countries. In combination with a stabilisation of the agencies' core budgets, this would give the Commission greater control over their activities (despite their regulatory character) and act as an incentive for the agencies to align their activities to EU policies.

A more flexible emergency response mechanism in the area of migration management (extension beyond the current mechanism for asylum), the design of an emergency response

mechanism to address specific border security threats complementary to and beyond the current models, and the extension of the mechanism to emergencies in the area of internal security in particular will also be important improvements.

10.2. Other organisational aspects of the future home affairs Funds

The preferred option will be implemented in full coherence with the decision to reduce the number of financial instruments in the home affairs area to two by creating an Asylum and Migration Fund and an Internal Security Fund. Reducing the number of Funds will increase the visibility of home affairs funding and make it easier to fund actions which at present are on the nexus between Funds. For example, support for the improvement of reception and detention centres is currently spread across the European Refugee Fund and the Return Fund, depending on the type of target group that will benefit from the improvements (asylum seekers or those awaiting return). By bringing support for such measures together under a single Asylum and Migration Fund, it will be possible to create synergies and ultimately, economies of scale.

Care is also taken to avoid overlaps with funding provided by other EU instruments. For example, in relation to the integration of third-country nationals the European Social Fund will support measures on access to the labour market whereas the AMF will support measures such as civic orientation courses, participation in social and civic life, equal access to services, etc. In relation to the external dimension, the home affairs Funds will provide support for actions which cater primarily for EU interests and objectives, have a direct impact in the EU and its Member States and to ensure continuity with activities implemented in the territory of the EU. This funding will be designed and implemented in coherence with EU external action and foreign policy. It is not intended to support actions which are development oriented and will complement, when appropriate, the financial assistance provided through external aid instruments. While those instruments either support beneficiary countries development needs or support general EU political interests with strategic partners, home affairs funds will support specific actions in third countries in the interest of EU migration policy and EU internal security objectives. They will therefore fill a specific gap and will contribute to completing the toolbox at the disposal of the Union. Annex 6 provides an overview of the complementarity of the two home affairs Funds with other future EU financial instruments.

Another key feature of the future home affairs funding architecture will be the creation of a horizontal instrument, common to both the Asylum and Migration Fund and the Internal Security Fund. This instrument will include all rules on programming, reporting, financial management and controls. This presents two distinct advantages: first, it avoids duplication and reduces significantly the number of (otherwise identical parallel) provisions in the two Funds and second, it achieves simplification and consistency because the same rules will apply to all beneficiaries, regardless of which home affairs instrument their funding comes from, thereby facilitating their understanding of and access to the Funds.

Box 1: Legal aspects of the creation of the two new home affairs Funds

Four legislative proposals are needed to establish, in accordance with the Treaty, two Funds which can cover the policy objectives of migration and security in a comprehensive manner, and to properly underpin the operation of the two Funds through a common and simple framework.

The Asylum and Migration Fund will support activities and measures related to (1) asylum; (2) legal migration and integration; (3) irregular migration and return. The Fund will be established through a Regulation based on Articles 78(2) and 79(2) and (4) TFEU.

The Internal Security Fund will support activities and measures related to (1) border management and the common policy on visa; (2) police co-operation, crime prevention and fight against serious cross-border crime, crisis management and critical infrastructure protection. Unlike the Asylum and Migration Fund, due to the Treaty provisions that apply to the home affairs area, in particular different voting rules in the Council stemming from variable geometry pursuant to Protocols 19 (on the Schengen acquis), 21 (on the position of the United Kingdom and Ireland in respect of the area of Freedom, Security and Justice) and 22 (and 22 (on the position of Denmark, including in relation to Title V, part three of the Treaty), the creation of the Internal Security Fund requires the adoption of two separate legislative instruments which jointly establish the ISF:

- Regulation establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management;
- Regulation establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visa.

In line with the general objective of simplification, the two Funds should function as much as possible with identical delivery mechanisms and have a structure that resembles as closely as possible that of other EU financial instruments under shared management, in particular those covered by the Common Strategic Framework. This is achieved through the creation of a horizontal instrument, common to the Asylum and Migration Fund and the two components of the Internal Security Fund, laying down the principles of assistance, programming and reporting mechanisms, rules on financial management and control, and the monitoring and evaluation provisions applicable to both Funds.

11. MONITORING AND EVALUATION

Providing for a robust monitoring and evaluation mechanism is crucial to ensure that the provisions discussed in the preferred option are implemented. Hence, the monitoring and evaluation proposals made here relate to the performance of the preferred option.

Monitoring and evaluation arrangements will need to be provided for in the legislative proposals for the future financial instruments. In view of the duration of the next Multiannual Financial Framework (7 years), provisions will need to be made for a mid-term review. The timing of such a review will not be fixed in advance as experience with the review of the Funds under the General Programme Solidarity and Management of Migration Flows has shown that this may lead to the results of the review not being available when necessary. Provision will also be made for an ex-post evaluation. The Commission will be responsible for the mid-term review and ex-post evaluation.

For the funds implemented under shared management, the revised Financial Regulation provides that each Member State will be required to submit an annual management declaration on the use of EU funds for the reference period. In order to keep reporting requirements for the Member States to a minimum, it is proposed that this also be the occasion on which they will have to report on their progress in the implementation of their multiannual programmes. The Commission will be responsible for analyzing and following-up the annual reports submitted by the Member States, if necessary through on-the-spot monitoring visits.

In relation to centralized management, the beneficiaries (Member States, international organizations, non-governmental organizations etc.) will be required to report on the implementation of the actions supported with grants from the EU budget for review by the Commission, including a statement of the expenditure incurred. If deemed necessary, on-the-spot visits will be carried out to monitor progress.

Although it is important to be able to monitor progress towards the specific objectives set out earlier and to measure the results and impacts achieved by EU home affairs spending, migration and security are areas which do not lend themselves to the definition and use of precise indicators because they are essentially driven by external factors or difficult to monitor. For this reason, the evaluation and monitoring arrangements proposed for the two Funds are based on both quantitative and qualitative assessments (including risk assessments) which take into account a range of indicators. These indicators will be developed in consultation with the Member States to track the performance of home affairs funding in terms of inputs, outputs and, where possible, outcomes. Annex 8 provides examples of possible indicators.

As stated earlier, this impact assessment also constitutes the ex-ante evaluation required for programmes or activities occasioning expenditure from the EU Budget. Information about the volume of appropriations, human resources and other administrative expenditure to be allocated and their respect of the cost-effectiveness principle are included in the legislative financial statement which accompanies the legislative proposals.

ANNEX 1 – LIST OF ACRONYMS

AMF	Asylum and Migration Fund
CBRN	Chemical, Biological, Radiological and Nuclear
CEAS	Common European Asylum System
CeCLADM	Centre de Coordination pour la Lutte Anti-drogue en Méditerranée
CEPOL	European Police College
CIA	Committee on Immigration and Asylum
CIPS	Prevention, Preparedness and Consequence Management of Terrorism and other Security-related risks (Specific Programme)
COSI	Standing Committee on Operational Cooperation on Internal Security (Council)
DCI	Development and Cooperation Instrument
EASO	European Asylum Support Office
EBF	External Borders Fund
EDF	European Development Fund
EEAS	European External Action Service
EES	Entry-Exit System
EIF	European Fund for the Integration of Third Country Nationals
EMCDDA	European Monitoring Centre for Drugs and Drug Addiction
EMN	European Migration Network
EOS	European Organisation for Security
ERF	European Refugee Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
EUROPOL	European Law Enforcement Agency
EU	European Union
EUROSUR	European border surveillance system

FP8	Eighth Framework Programme for Research and Technological Development
FRONTEX	European agency for the Management of Operational Cooperation at the External Borders of the Member States of the EU
GAM	Global Approach to Migration
GDP	Gross Domestic Product
ICT	Information and Communications Technology
ILO	International Labour Organisation
INTI	Integration of Third-Country Nationals (Preparatory Actions)
IOM	International Organisation for Migration
ISEC	Prevention of and Fight against Crime (Specific Programme)
ISF	Internal Security Fund
ISS	Internal Security Strategy
IT	Information Technology
JHA	Justice and Home Affairs
JIT	Joint Investigation Team
JRC	Joint Research Centre
LIBE	Committee on Civil Liberties, Justice and Home Affairs (European Parliament)
MAOC-N	Maritime Analysis and Operation Centre – Narcotics
MFF	Multi-Annual Financial Framework
MS	Member State
NGO	Non-Governmental Organisation
OCTA	Organised Crime Threat Assessment
ODA	Official Development Assistance
PNR	Passenger Name Records
RETURN	Financial Instrument for Return Management in the area of Migration (Preparatory Action)

RF	European Return Fund
RPP	Regional Protection Programme
RTP	Registered Traveller Programme
SIENA	Standards and Interoperability for eInfrastructure implemeNtation initiAtive
SIS	Schengen Information System
SURE	Policy Challenges Committee (European Parliament)
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union
TFTS	Terrorist Financing Tracking System
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
VIS	Visa Information System

ANNEX 2 – GLOSSARY

Migration

Third-country national means any person who is not a citizen of the Union within the meaning of Article 20(1) of the Treaty.

Irregular immigration means the movement of a person to a new place of residence or transit using irregular or illegal means, without valid documents or carrying false documents.

EU Global Approach to Migration: The EU Global Approach to Migration (GAM) can be defined as the external dimension of the European Union's migration policy. It is based on genuine partnership with third countries, it is fully integrated into the EU's other external policies, and addresses all migration and asylum issues in a comprehensive and balanced manner. Adopted in 2005, it illustrates the ambition of the European Union to establish an inter-sectoral framework to manage migration in a coherent way through political dialogue and close practical cooperation with third countries. The GAM is build around three essential dimensions, namely the management of legal migration, the fight against irregular immigration, and fostering the links between migration and development. Through these three pillars the GAM encompasses all the dimensions of the migration agenda, including legal and irregular migration, the fight against trafficking in human beings and smuggling of migrants, asylum and international protection, enhancing migrant rights and maximizing the development impact of migration.

Mobility Partnership: Mobility Partnerships (MP) constitute the most innovative and sophisticated tool of the Global Approach to Migration (GAM) and contribute significantly to its operationalisation. Mobility Partnerships aim to be comprehensive and balanced, offering actions in all three major areas of the GAM: promotion of the links between migration and development, facilitation of legal migration and measures aiming at curbing irregular migration. They take the form of political statements (declarations of intention), signed by the Union, the Presidency of the EU, interested Member States and the respective partner third country. These statements are formulated in non-binding terms, which not only facilitates its establishment but also ensures that Mobility Partnerships are flexible tools easily adaptable to changing needs. The partners join on a voluntary basis and, once signed, the Mobility Partnerships remain open to the participation of other interested Member States. These Partnerships provide a useful platform for the development of different actions aiming either at informing potential migrants about legal migration opportunities, supporting capacity building of employment agencies in the partner country, promotion of circular migration schemes⁴³, reintegration of migrants in their country of origin, engagement with migrant associations to foster their contribution through actions such as business ventures or training activities, to the development of their countries of origin, etc. Three Mobility Partnerships have been signed, respectively with Moldova (2008), Cape Verde (2008) and Georgia (2009). A Mobility Partnership with Armenia is under preparation and is expected to be signed in 2011.

⁴³ Circular migration creates an opportunity for persons residing in a third country to come to the EU temporarily for work, study, training or a combination of these, on the condition that, at the end of the period for which they were granted entry, they must re-establish their main residence and their main activity in their country of origin.

Re-admission agreement means an agreement between the EU and/or Member State with a third country, on the basis of reciprocity, establishing rapid and effective procedures for the identification and safe and orderly return of persons who do not, or no longer, fulfil the conditions for entry to, presence in, or residence on the territories of the third country or one of the Member States of the European Union, and to facilitate the transit of such persons in a spirit of cooperation. EU readmission agreements have been signed with the following third countries/territories: Hong-Kong, Macao, Sri Lanka, Albania, Russian Federation, Ukraine, FYROM, Serbia, Bosnia and Herzegovina, Montenegro, Moldova, Pakistan and Georgia.

Regional Protection Programmes aim at enhancing the capacity of third countries to ensure that asylum-seekers and refugees receive effective protection, assistance and durable solutions (return, local integration or resettlement in a third country). So far, the EU has supported Regional Protection Programmes in Eastern Europe, Tanzania (Africa's Great Lakes region) and the Horn of Africa.

Asylum

Asylum means a form of protection given by a State on its territory based on the principle of *non-refoulement* and internationally or nationally recognised refugee rights. It is granted to a person who is unable to seek protection in his/her country of citizenship and/or residence in particular for fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion.

Common European Asylum System refers to the establishment of a common asylum procedure and a uniform status for those who are granted asylum or subsidiary protection in the EU, as well as strengthening practical cooperation between national asylum administrations and the external dimension of asylum.

Refugee: According to the Geneva Convention, a person who, owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, political opinion or membership of a particular social group, is outside the country of nationality and is unable or, owing to such fear, is unwilling to avail himself or herself of the protection of that country, or a stateless person, who, being outside of the country of former habitual residence for the same reasons as mentioned before, is unable or, owing to such fear, unwilling to return to it. In the EU context, a third-country national or stateless person within the meaning of Article 1A of the Geneva Convention and authorised to reside as such on the territory of a Member State and to whom Article 12 (Exclusion) of directive 2004/83/EC does not apply.

Resettlement means the process whereby, on a request from UNHCR based on a person's need for international protection, third-country nationals or stateless persons having the status defined by the Geneva Convention and who are permitted to reside as refugees in one of the Member States are transferred from a third-country and established in a Member State where they are permitted to reside with one of the following statuses: (i) refugee status within the meaning of Article 2(d) of Directive 2004/83/EC, or (ii) a status which offers similar rights and benefits under national and EU law as refugee status⁴⁴.

Relocation means the process whereby, persons referred to in Article 4(1)(a) and (b) are transferred from the Member State which granted them international protection to another

⁴⁴ Definition for the purpose of Decision No 573/2007/EC establishing the ERF for the period 2008-2013.

Member State where they will be granted equivalent protection, or persons falling within the category referred to in Article 4(1)(c) are transferred from the Member State which is responsible for examining their application to another Member State where their application for international protection will be examined⁴⁵.

Unaccompanied minor means any third-country national or stateless persons below the age of 18 years, who arrives or arrived on the territory of the Member States unaccompanied by an adult responsible for him/her whether by law or the national practice of the Member State concerned, and for as long as he/she is not effectively taken into the care of such a person; it includes a minor who is left unaccompanied after he/she has entered the territory of the Member States.

Return

Return: In the context of the Return Directive (2008/115/EC), this means the process of going back - whether in voluntary compliance with an obligation to return, or enforced to: i) one's country of origin; or ii) a country of transit in accordance with Community or bilateral readmission agreements or other arrangements; or iii) another third country, to which the third-country national concerned voluntarily decides to return and in which he/she will be accepted.

Forced return means the compulsory return of an individual to the country of origin, transit or third country, on the basis of an administrative or judicial act.

Voluntary return means the assisted (in which case it would be Assisted Voluntary Return) or independent return to the country of origin, transit or third country, based on the free will of the returnee.

Borders

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

Schengen Agreement and Convention: By the Schengen Agreement signed on 14 June 1985, Belgium, France, Germany, Luxembourg and the Netherlands agreed that they would gradually remove controls at their common borders and introduce freedom of movement for all nationals of the signatory Member States, other Member States or third countries. The Schengen Convention supplements the Agreement and lays down the arrangements and safeguards for implementing freedom of movement. The Agreement and the Convention, the rules adopted on that basis and the related agreements together form the "Schengen acquis". Since 1999, this has formed part of the institutional and legal framework of the European Union by virtue of a protocol to the Treaty of Amsterdam. As of January 2010, EU Member States which are part of the Schengen Area are Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain and Sweden. This means that the other EU Member States (i.e. Bulgaria, Cyprus, Ireland, Romania and the United Kingdom) are not part of Schengen. Whilst Iceland, Liechtenstein, Norway and

⁴⁵ Definition for the purpose of Decision No 573/2007/EC establishing the ERF for the period 2008-2013.

Switzerland are not EU Member States, they have signed an Agreement on Association in order to be associated with the implementation, application and development of the Schengen acquis.

Local Border Traffic means the regular crossing of an external land border by border residents in order to stay in a border area, for example for social, cultural or substantiated economic reasons, or for family reasons, for a period not exceeding three months.

Eurodac means the system which enables EU countries to help identify asylum applicants and persons who have been apprehended in connection with an irregular crossing of an external border of the Union. By comparing fingerprints, EU countries can determine whether an asylum applicant or a foreign national found illegally present within an EU country has previously claimed asylum in another EU country or whether an asylum applicant entered the Union territory unlawfully.

Schengen Information System means the joint (EU plus Member States) information system that enables the relevant authorities in each Member State, by means of an automated search procedure, to have access to alerts on persons and property for the purposes of border checks and other police and customs checks carried out within the country in accordance with national law and, for some specific categories of alerts (Article 96), for the purposes of issuing visas, residence permits and the administration of legislation on aliens in the context of the application of the provisions of the Schengen Convention relating to the movement of persons.

Visa Information System means the system for the exchange of visa data between Member States, which enables authorised national authorities to enter and update visa data and to consult these data electronically.

Internal security

Radicalisation commonly refers to individuals or groups becoming intolerant with regard to basic democratic values like equality and diversity. As well, the term relates to a rising propensity towards using means of force to reach political goals that negate and/or undermine democracy. “Violent radicalisation” is defined in COM(2005)313 as “the phenomenon of people embracing opinions, views and ideas which could lead to acts of terrorism as defined in Article 1 of the Framework Decision 2002/475/JHA on Combating Terrorism.”

Crime prevention means all measures that are intended to reduce or otherwise contribute to reducing crime and citizens' feeling of insecurity, as defined in Council Decision 2009/902/JHA of 30 November 2009 setting-up a European Crime Prevention Network.

Organised crime means a punishable conduct committed by a structured group of three or more persons, existing for a period of time and acting in concert in order to obtain, directly or indirectly, a financial or other material benefit.

Terrorism means any of the intentional acts and offences as defined in Framework Decision 2002/475/JHA of 13 June 2002 on combating terrorism, as amended by Framework Decision 2008/919/JHA of 28 November 2008.

Risk and crisis management means any measure relating to the assessment, prevention, preparedness and consequence management of terrorism and other security-related risks;

'prevention and preparedness' means any measure aimed at preventing and/or reducing risks linked to possible terrorist attacks or other security related incidents.

Consequence management means the effective coordination of measures taken in order to react to and to reduce the impact of the effects of a terrorist attack or any other security related incident in order to ensure an effective coordination of actions at national and/or EU level.

Critical infrastructure means any physical resources, services, information technology facilities, networks and infrastructure assets which, if disrupted or destroyed, would have a serious impact on critical societal functions, including the supply chain, health, safety, security, economic or social well-being of people or of the functioning of the Union or its Member States.

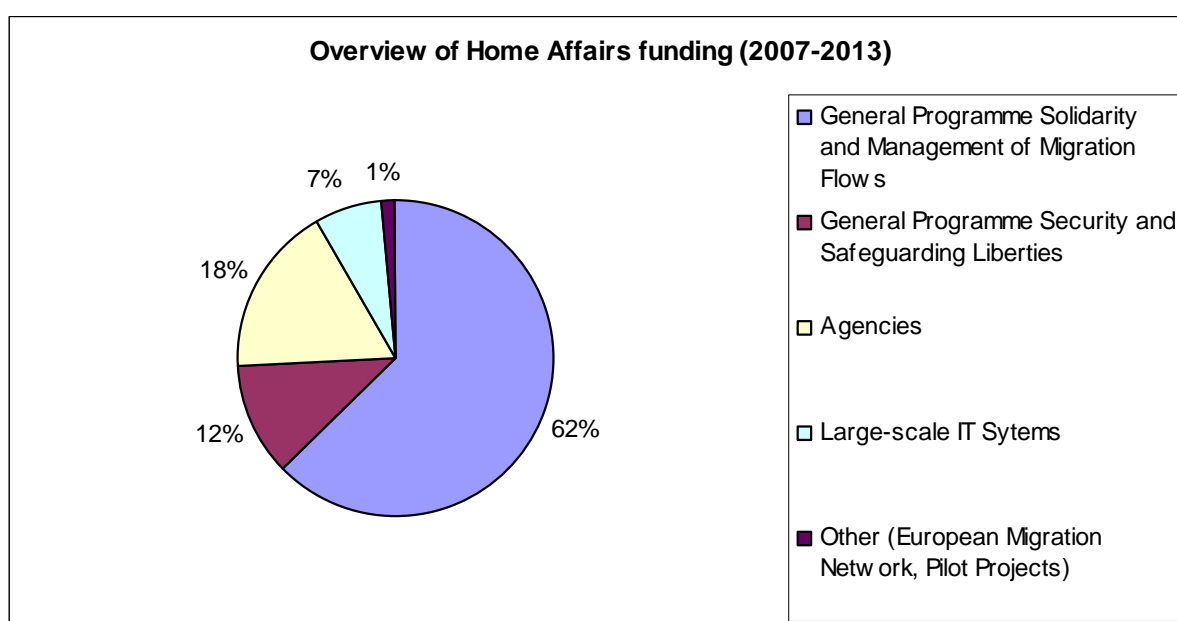
Terrorist Financing Tracking System: On 28 June 2010, the European Union and the United States of America signed the agreement on the processing and transfer of financial messaging data for the purpose of the Terrorist Financing Tracking Programme (EU-US TFTP Agreement). At the same time, the Council of the EU asked the European Commission to propose, by 1 August 2011, "a legal and technical framework for the extraction of data on EU territory". The Commission has since worked on the possible introduction of such a system. Developing an EU TFTS is part of a wider agenda to prevent terrorism and protect European citizens.

ANNEX 3 – OVERVIEW OF HOME AFFAIRS FUNDING (2007-2013)

General overview

The share of funding for home affairs in the EU budget is relatively small but has been growing steadily. According to the latest figures available (budget amendments and budget 2011), the budget for home affairs policies in the period 2007-2013 amounts to €6 449 million⁴⁶. Home affairs policies are considered internal policies and are funded under Heading 3a "Freedom, Security and Justice" of the EU budget, representing 0.77% of the total EU budget for the period 2007-2013 (ceilings of the current financial framework).

These figures cover not only home affairs financial programmes, but also funding for large-scale IT systems (VIS, SIS, Eurodac) and agencies.



The external dimension of home affairs policies is currently covered through geographic and thematic external instruments under budget heading 4 "EU as global player". Funding to support third countries in home affairs policy areas is channelled mainly through the Thematic Programme "Cooperation with Third Countries in the Area of Migration and Asylum" which is relatively small (€55 million annually). Although additional funding is also available through geographic and other thematic programmes, the amounts actually allocated vary depending on the programming needs of the beneficiary countries (roughly estimated at approximately €135 million per year).

⁴⁶ Figures provided are commitment appropriations expressed in current prices and based on latest figures available (including all budget amendments 2007-2010 and 2011 budget).

Overview of funding managed by DG Home Affairs (2007-2013) - figures in million euro, current prices								
General Programme Solidarity and Management of Migration Flows	2007	2008	2009	2010	2011	2012	2013	Total
European Refugee Fund (1)	78,3	82	107,79	102,65	104,03	104,03	122,83	701,63
External Borders Fund	170,3	170	186	208	254	349,6	481,7	1819,6
European Fund for the Integration of Third-country Nationals	65	78	98	111	132	163	183	830
European Return Fund	0	56	67	88	114	163	193	681
Total	313,6	386	458,79	509,65	604,03	779,63	980,53	4032,23
General Programme Security and Safeguarding Liberties	2007	2008	2009	2010	2011	2012	2013	Total
Prevention, preparedness & consequence management of terrorism	12,84	15,38	19,77	20,52	24,4	23,68	25,58	142,17
Prevention of and fight against crime	45,16	53,62	72,86	86,38	109,6	118,32	121,42	607,36
Total	58	69	92,63	106,9	134	142	147	749,53
Agencies	2007	2008	2009	2010	2011	2012	2013	Total
FRONTEX	38,75	68	78	83	78	78	78	501,75
Agency for the operational management of large-scale IT Systems	0	0	0	0	5,45	54,5	39,4	99,35
EASO	0	0	0	5,25	8	12	15	40,25
Europol	0	0	0	79,72	83,47	84	85	332,19
European Police College	7,44	8,7	7,8	7,8	8	8,8	9,2	57,74
European Monitoring Centre for Drugs and Drug Addiction	13	13,4	14,15	14,8	15,17	15,75	16,1	102,37
Total	59,18	90,1	99,95	190,57	198,09	253,05	242,7	1133,65
Pilot Projects	2007	2008	2009	2010	2011	2012	2013	Total
Preparatory action — Migration management — Solidarity in action	15	0	0	0	0	0	0	15
Creation of network of contact & discussion between municipalities	0	0	0	0	1,5	0	0	1,5
Total	15	0	0	0	1,5	0	0	16,5
Large-scale IT Systems	2007	2008	2009	2010	2011	2012	2013	Total
Schengen information system	20	26,62	39,28	35	30	(2)	(2)	150,9
Visa information system (VIS)	43,23	20	35,70	21	21,2	54,5	82,6	278,23
Eurodac	2	8	2	2	1,5	(2)	(2)	15,5
Total	65,23	54,62	76,98	58	52,7	54,5	82,6	444,63
Other	2007	2008	2009	2010	2011	2012	2013	Total
European Migration Network	3	6,5	8,8	7,5	7,5	8	8	49,3
Prince — Area of freedom, security and justice (communication)	2,2	3,91	2,5	2,6	2,7	2,8	2,9	19,61
Evaluation and impact assessment	0,5	0,5	0,45	0,45	0,55	0,6	0,6	3,65
Total	5,7	10,91	11,75	10,55	10,75	11,4	11,5	72,56
TOTAL DG HOME AFFAIRS	516,72	610,63	740,10	875,67	1001,07	1240,58	1464,33	6449,09
(1) Includes "Emergency measures in the event of mass influxes of refugees" for € 69,9 million for 2007-2013. 2007 figures refer to ERF II. (2) Covered by the VIS budget line								

Financial programmes

(1) General Programme "Solidarity and management of migration flows"

The main instrument in support of home affairs activities is the General Programme "Solidarity and management of migration flows" which comprises four Funds, each with its own legal basis: the European Fund for the Integration of Third Country Nationals, the European Refugee Fund (III), the External Borders Fund and the European Return Fund. The table below provides an overview of the amounts allocated to each Fund and the types of actions that can be supported by the Funds. After a brief explanation of the implementation arrangements common to the four Funds, each Fund is subsequently described in more detail below.

Solidarity and migration Flows	Total m €	Type of actions funded
External Borders Fund	1,819.6	Infrastructure and equipment for EU external borders and visa policy, national components of SIS/VIS
European Return Fund	681	Voluntary & forced return, including joint return operations, cooperation between return agencies
European Refugee Fund (III)	701.63	Capacity building (asylum procedures, reception infrastructure), integration of refugees, resettlement, emergency measures
European Fund for the Integration of Third-country Nationals	830	Provision of integration measures such as language courses, courses of civic orientation, pre-departure measures in third countries
Total	4,032.23	

Implementation under the shared management mode

The four Funds are implemented mainly (93 to 96%) under the shared management mode. Through annual programmes from Member States, the EU budget seeks to support structured intervention (capacity building) in Member States, as well as activities specific to the national or local circumstances in the policy area concerned pursuant to the scope set out in the basic acts. Although the Member States are in charge of the management of the Funds and select the actions that will receive financial support, the Commission bears ultimate responsibility for the overall legal framework and for the implementation of the budget.

In accordance with the requirements set out in the basic acts, the Member States designate a Responsible Authority, responsible for the management of the multiannual programme and annual programmes supported by the Funds, an Audit Authority, responsible for verifying the effective functioning of the management and control system and a Certifying Authority in charge of certifying the declarations of expenditure before they are sent to the Commission.

Annual programmes within a multi-annual framework

In terms of programming, the General Programme currently combines a common multiannual framework in line with broadly defined political priorities set in EU strategic guidelines with annual programmes. Each year, the Member States submit a draft annual programme which is subsequently approved by the Commission. With four Funds, there are therefore around 100

annual programmes to manage on a yearly basis (approval and amendment of programmes, monitoring, progress reports, pre-financings and closure).

The closure of the first annual programmes under the current financial framework started at the end of 2010 with the receipt of the first final reports from the Member States. So far, this concerns the two Funds which started in 2007 (EBF and EIF). However, in the first quarter of 2011 the start of the closure of the 2008 annual programmes will concern all four Funds. With the closure of the first annual programmes, the implementation of the four Funds has reached "cruising speed".

Annual distribution of allocations

For each Fund the annual distribution of the available EU financial resources among the Member States is based on specific and objective criteria which reflect the situation of the Member State with regard to the obligations undertaken on behalf of or for the overall benefit of the Union in the policy area concerned: e.g. the size of the external borders to be protected and the number of persons crossing them; the number of legally staying third-country nationals to be integrated into society; the number of return decisions to be implemented. The definition of the criteria is the most concrete expression of the principle of solidarity in the sense that those Member States most affected by the management of migration flows are meant to benefit the most from EU funding. Moreover, because the criteria reflect the evolution in migratory trends in previous years; it is based on retro-active solidarity.

The criteria and the procedure to apply these criteria are laid down in detail in the basic acts of the Funds. Each year, the Commission draws upon both EU statistics from EUROSTAT and ad hoc data supplied by Member States to perform the calculations. Once the calculations are communicated to the Member States in the year N-1⁴⁷, the EU contribution to the annual programme is known to the Member States and they can start drafting their annual programmes for the year N. These are indicative amounts ("provisional allocations") that are subsequently confirmed or modified once the Budgetary Authority has adopted the EU budget in the year N-1. The Commission takes a decision establishing the final allocations.

Financial control

Three authorities are in charge of assuring sound financial management of the funds allocated to the Member State. The first level of control is represented by the Responsible Authority, which performs management verification throughout the implementation period of actions. The next level of control is represented by the Audit Authority, which has the responsibility to perform audits of the management and control systems and audits of operations. The Audit Authority reports the results of its checks to the Commission in its audit report as part of the annual closure of programmes, including an annual audit opinion on the functioning of the systems. Finally, the Certifying Authority takes steps to satisfy itself that adequate controls have been carried out by the Responsible Authority and that the results of the controls of the checks performed by the Audit Authority were duly taken into account. If considered necessary, the Certifying Authority can also carry out its own checks.

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The allocations are indicative as the total Fund's appropriations are subject to the approval of the final budget of the European Union by its budgetary authority by the end of the year. Furthermore, they are also provisional as subject to formal approval by the Commission.

The Commission monitors the operational and financial implementation of the Funds closely, *inter alia* by carrying out monitoring visits and maintaining in regular contact with the Responsible Authorities. These checks are complemented by a second layer of checks consisting of desk reviews of the management and control systems, compliance audit missions, reviews of the Member States' audit strategies and annual audit reports.

Implementation under the centralised direct management mode

A small part of the four Funds (between 4 and 5% of the annual allocation) is implemented by the Commission under the centralised direct management mode (so called "Community Actions"). This includes, for the External Borders Fund, the "Specific actions" (€10 million annually) which seek to address weaknesses at specific border sections in the EU.

(a) External Borders Fund

The External Borders Fund⁴⁸ was established for the period 2007-2013, as part of the General Programme Solidarity and Management of Migration Flows, with a total envelope of €1,820 million. This amount is supplemented by the contributions from the Associated States, Norway, Iceland, Switzerland and Lichtenstein, participating in the Fund as of 2010.

The **general objective** of the Fund is to help Schengen States comply with one of the key obligations under the Schengen acquis, namely to ensure efficient, high level and uniform controls at the external borders. In addition, it contributes to the development of the common visa policy while tackling irregular immigration on one hand, and facilitating legitimate travel to the Member States, on the other hand. Since all Schengen participating Member States benefit from the principle of free movement of persons, every Member State in the Schengen area has an interest in the effectiveness with which others control the external borders for which they are responsible. Consequently, a high level control of the external borders is the necessary corollary to the free movement of persons within the EU.

The External Borders Fund entered into force in the **new geopolitical context** which arose in the aftermath of the enlargement of the European Union in 2004 and with the decision to lift the internal borders and extend the Schengen area with 9 Member States in December 2007, which left only a few Member States with a physical external border to guard on behalf of the other Schengen States. The External Borders Fund addresses the issues arising from this new context and puts in place a mechanism for sharing responsibility for border management among all participating Member States in accordance with the principle of solidarity. Accordingly, the Fund contributes to achieving the **key EU policy objectives** in the area of border management and visa:

- Achievement of efficient, high level and uniform controls at the external borders through reinforcement of the **integrated border management system**;
- Support for the development, preparation, implementation, management and coordination of **large-scale IT systems**, needed for **effective border checks, migration control and visa procedures**, notably the second generation Schengen Information System (SIS II) and the Visa Information System (VIS), including their biometric aspects;

⁴⁸ Decision No 574/2007/EC, OJ L144, 6.6.2007, p.22

- Further development of the **common visa policy**, to facilitate legitimate travel, tackle illegal immigration, fight against visa fraud and improve local consular cooperation.

In the period 2007-2009, 23 Member States participated in the Fund. The United Kingdom and Ireland do not participate in the Fund. In accordance with its Protocol, Denmark opted in the Fund. In the period 2007-2009, Bulgaria and Romania, on the basis of the Act of Accession to the EU, benefited from the Schengen Facility II (Schengen part of the Cash Flow and Schengen Facility), in preparation of these countries' joining the area without internal borders. The nature of expenditure under this Facility principally coincided with eligible expenditure under the Fund. Hence, Bulgaria and Romania began to participate in the Fund only after its expiry, i.e. as of 2010. Also, three Associated States, Norway, Iceland and Switzerland, take part in the Fund as of 2010 only.

Actions implemented by Member States are co-financed by the Fund within the **five priorities** laid down in these EU guidelines⁴⁹: (1) the gradual establishment of the common integrated border management system (infrastructure and equipment, border control); (2) national components of a European Surveillance system for the external borders and a permanent European Patrol network at the Southern maritime borders; (3) the issuing of visas and the tackling of illegal immigration (consular offices and consular cooperation); (4) IT systems required for the implementation of EU legal instruments (SIS II, VIS) and (5) the effective and efficient application of EU acquis on external borders and visas (Schengen Code, Visa Code, training, risk analysis, core curriculum).

The Fund's contribution to projects in Member States is set at 50% of the total costs of an action and at 75% for Member States covered by the Cohesion Fund and for actions reflecting specific priorities mentioned in the strategic guidelines.

As part of the programmes for Lithuania, support is provided to the implementation by Lithuania of the **Special Transit Scheme (STS)** for Russian Federation citizens travelling on EU territory to and from the Kaliningrad region. The STS provides support to compensate for foregone fees from transit fees and additional cost involved in implementing the scheme in accordance with Protocols of the Act of Accession into the EU and the specific priorities in the basic act. In the period 2007-2010, each year €15 million was made available. In the period 2011-2013, €16 million is available each year. The Fund is the successor instrument to the Special Kaliningrad Transit Programme (2004-2006), which endowed Lithuania with €40 million to implement the scheme.

Besides the contribution to the national programmes, up to 6% of the Fund's available resources may be reserved for **Community Actions (CA)**, essentially to support visa policy and emergency situations at external borders. The projects are carried out in the direct management method and the Fund's contribution may amount to 80% of the total eligible costs of an action.

In addition, up to €10 million each year is available under the **Specific Actions (SA)** addressing weaknesses at strategic border crossing points. The Fund's contribution may amount to 90% of the total eligible costs of an action. The measures are meant to complement the activities carried out under the national annual programmes. Whereas the programmes allow for more strategic interventions, the specific actions are reserved for needs arising at

⁴⁹ OJ L233, 5.09.2007, p.3

specific border sections of particular interest to the EU and projects are implemented within a period of maximum 6 months.

(b) European Return Fund

The European Return Fund was established for the period 2008-2013, as part of the General Programme Solidarity and Management of Migration Flows, with a total envelope of €676 million. The **objective** of the Fund is to support the efforts made by Member States to improve the management of return in all its dimensions ("integrated return management"), including through cooperation between Member States for the purpose of economies of scale.

The **target groups** under the Fund include third-country nationals having received a negative decision in asylum or immigration procedures and irregular migrants apprehended at the border or in the territory of Member States. To enhance efficiency in return management at national level, the Fund also covers the voluntary return of those who are not under an obligation to leave the territory, such as applicants for asylum who have not yet received a negative decision or beneficiaries of international protection. Here the Fund has taken over a category of action which was supported by the European Refugee Fund till 2007⁵⁰.

The Fund also aims to support the correct and harmonised application of the **EU acquis on return**, in particular the Directive 2008/115 on common standards and procedures in Member States for returning illegally staying third-country nationals ("Return directive")⁵¹.

The Fund is mainly implemented by the Member States, in the shared management method. Through annual programmes from Member States, the EU budget seeks to support in Member States a structured intervention (capacity building), as well as activities specific to the national or local circumstances in the field of return. These actions are co-financed within an EU strategic framework of four priorities on return⁵². The **priorities** are (1) the development of a strategic approach; (2) co-operation between Member States; (3) specific innovative tools and (4) EU standards and best practices. Member States have to implement at least three out of four priorities but many Member States have chosen to implement all four of them.

The resources are distributed among 26 Member States as, in accordance with its Protocol, Denmark is not participating in the Fund. The Fund's contribution to projects in Member States is set at 50% of the total costs of an action and at 75% for Member States covered by the Cohesion Fund and for actions reflecting specific priorities mentioned in the strategic guidelines.

Besides the programmes, annually up to 7% of the EU available resources can be implemented directly by the Commission for transnational projects, studies or other types of action of EU interest through the "**Community actions**" concerning return policy and measures applicable to the target groups.

For the budgetary years 2005-2007 there were preparatory actions under the EU budget, namely the "Return Preparatory Actions" 2005-2006 and, the "Preparatory Action – Migration Management, Solidarity in Action 2007 – return and reintegration of returnees". The

⁵⁰ See inter alia the final evaluation of the European Refugee Fund for the period 2005-2007, COM(2011)2 final

⁵¹ OJ L348, 24.12.2008, p.98

⁵² OJ L330, 15.12.2007, p.48

instruments created first-hand practical experience with transnational projects and thus helped Member States prepare for the launch of the Return Fund in 2008⁵³.

(c) European Refugee Fund

The European Refugee Fund⁵⁴ was established for the period 2008-2013, as part of the General Programme Solidarity and Management of Migration Flows, with an indicative total envelope of €614 million.

The **general objective** of the Fund is to support and encourage the efforts made by Member States in receiving, and bearing the consequences of receiving, refugees and displaced persons, taking account of EU legislation on those matters by co-financing the actions. The Fund contributes to achieving the **key EU policy objectives** in the area of asylum:

- To put in place a common policy on asylum as set out in Article 78 TFEU, in line with the renewed commitments contained in the European Pact on Immigration and Asylum, in the Stockholm Programme and its Action Plan and in the Europe 2020 strategy.
- To contribute to the completion of the Common European Asylum System by adopting higher common standards of international protection, supporting practical cooperation and increasing solidarity within the EU and between the EU and third countries affected by refugee flows

The **target groups** under the Fund include refugees (Geneva Convention), persons enjoying a form of subsidiary protection within the meaning of Directive 2004/83/EC, asylum seekers and persons enjoying temporary protection within the meaning of Directive 2001/55/EC. The Fund is mainly implemented by the Member States, in the shared management method. Through annual programmes submitted by the Member States, the actions are co-financed in compliance with **Strategic Guidelines of the Commission**⁵⁵, which provide for three **priorities**: (1) implementation of the principles and measures set out in the Community *acquis* in the field of asylum, including those related to integration objectives; (2) development of reference tools and evaluation methodologies to assess and improve the quality of procedures and to underpin administrative structures by enhanced practical cooperation with other Member; (3) actions helping to enhance responsibility sharing between Member States and third-countries (transfer and resettlement of refugees).

The Fund also provides additional financial incentive of €4,000 to Member States for each resettled refugee according to specific categories (vulnerable groups and persons from countries and regions designated for the implementation of a Regional Protection Programme) on the basis of a pledging exercise.

The resources are distributed among 26 Member States as, in accordance with its Protocol, Denmark does not participate in the Fund.

⁵³ The evaluation of the preparatory actions is available at http://ec.europa.eu/home-affairs/funding/2004_2007/solidarity/funding_solidarity_en.htm

⁵⁴ Decision No 573/2007/EC of the European Parliament and of the Council, OJ L144, 6.6.2007, p.1.

⁵⁵ Commission Decision 2007/815/EC, OJ L326, 12.12.2007, p. 29.

The Fund also includes an annual reserve of €9.8 million to support **emergency measures** in Member States facing situations of particular migratory pressure, characterised by the sudden arrival at particular points on the borders of a large number of third-country nationals who may be in need of international protection.

Besides the national programmes, up to 4% of the EU available resources can be implemented directly by the Commission on an annual basis for transnational projects, studies or other types of action of EU interest through the so-called "**Community actions**".

(d) European Fund for the Integration of Third-Country Nationals

The European Fund for the Integration of third-country nationals⁵⁶ was established for the period 2007-2013, as part of the General Programme Solidarity and Management of Migration Flows, with an indicative total envelope of €825 million.

The **general objective** of the Fund is to support the efforts made by the Member States in enabling third-country nationals of different economic, social, cultural, religious, linguistic and ethnic backgrounds to fulfil the conditions of residence and to facilitate their integration into the European societies. The Fund focuses primarily on actions relating to the integration of newly arrived third-country nationals. In order to further this objective, the Fund contributes to the development and implementation of national integration strategies for third-country nationals in all aspects of society, in particular taking into account the principle that integration is a two-way dynamic process of mutual accommodation by all immigrants and residents of Member States.

The Fund's **scope** encompasses legally residing third-country nationals, i.e. any person who is not a citizen of the Union within the meaning of Article 17(1) of the Treaty, but does not include the European Refugee Fund's target group.

The Fund contributes to the following **specific objectives**:

- Facilitation of the development and implementation of admission procedures relevant to and supportive of the integration process of third-country nationals;
- Development and implementation of the integration process of newly-arrived third-country nationals in Member States;
- Increasing of the capacity of Member States to develop, implement, monitor and evaluate policies and measures for the integration of third-country nationals;
- Exchange of information, best practices and cooperation in and between Member States in developing, implementing, monitoring and evaluating policies and measures for the integration of third-country nationals.

The Fund is mainly implemented by the Member States, in the shared management method. Through annual programmes submitted by the Member States, the EU budget seeks to support in Member States activities in the field of integration of third-country nationals specific to the national or local circumstances, as well as capacity building in public and private services dealing with third-country nationals. The actions are co-financed in compliance with

⁵⁶ Decision 2007/435/EC, OJ L168, 28.6.2007, p.18

Strategic Guidelines of the Commission⁵⁷, which provide for four **Priorities**: (1) Implementation of actions designed to put the 'Common Basic Principles for immigrant integration policy in the European Union' into practice; (2) Development of indicators and evaluation methodologies to assess progress, adjust policies and measures and to facilitate co-ordination of comparative learning; (3) Policy capacity building, co-ordination and intercultural competence building in the Member States across the different levels and departments of government and (4) Exchange of experience, good practice and information on integration between the Member States. Member States have to implement at least three of the aforementioned priorities, among which priorities 1 and 2 are mandatory, but many Member States have chosen to implement all four of them.

In addition, the Strategic Guidelines set out five **Specific Priorities**, applicable under any of the aforementioned Priorities. Any project implementing one or several of the Specific Priorities may receive an increased EU funding rate. The Specific Priorities are: (1) Participation as a means of promoting the integration of third-country nationals in society (Actions involving the participation of third-country nationals in the formulation and implementation of integration policies and measures); (2) Specific target groups (e.g. women, youth and children, the elderly, illiterate persons and persons with disabilities); (3) Innovative introduction programmes and activities (e.g. part-time courses, fast-track modules, distance or e-learning systems); (4) Intercultural dialogue and (5) Involvement of the host society in the integration process (e.g. awareness raising).

Besides the national programmes, annually up to 7% of the EU available resources can be implemented directly by the Commission for transnational projects, studies or other types of action of EU interest through the "**Community actions**".

For the budget years 2003-2006, there were preparatory actions under the EU budget, namely the 'INTI Preparatory actions promoting the integration of third-country nationals'. This instrument created first hand practical experience with transnational projects and thus helped organisations of various types in Member States prepare for the launch of the Fund in 2007⁵⁸.

It should be noted that the EIF does not support integration measures on access to and integration into the labour market which are funded under the European Social Fund. Instead, the EIF complements such actions by financing measures such as reception and introductory schemes, participation in social and civic life, equal access to services, etc. Similarly, whereas the ERDF can support a large range of integration measures in the context of regional development, the objectives which guide the choice of actions funded in each region are very different from those of the EIF (contribution to regional development in the context of convergence, regional competitiveness and employment, and European territorial cooperation).

(2) General Programme "Security and Safeguarding Liberties"

In the area of internal security, the General Programme on "Security and Safeguarding Liberties" is the main instrument for funding. It is administered under the centralised direct management mode and consists of two smaller Specific Programmes: ISEC (Prevention of

⁵⁷ Commission Decision C(2007) 3926 final of 21.8.2007

⁵⁸ The evaluation of the INTI preparatory actions is available at http://ec.europa.eu/home-affairs/funding/integration/funding_integration_en.htm.

and the fight against Crime) and CIPS (Prevention, Preparedness and consequence management of Terrorism and other Security-related risks).

Security and Safeguarding Liberties	Total m €	Type of actions funded
Prevention, preparedness & consequence management of terrorism	142,17	Critical infrastructure protection, reducing CBRN threats: risk assessment, development of security standards
Prevention of and fight against crime	607,36	Development of horizontal approaches, cooperation between law enforcement authorities, development & exchange of best practice
Total	749,53	

The Programmes are implemented through Annual Work Programmes which set thematic and/or sector priorities and are administered directly by the Commission through calls for proposals and the conclusion of grant agreements with final beneficiaries. Funding is provided primarily for action grants following open calls for proposals although some action grants are also through restricted calls for proposals reserved for public sector entities with which "framework partnership agreements" are concluded. Beneficiaries are mostly law enforcement and customs authorities, justice and home affairs ministries and agencies, and to a lesser extent non-governmental organisations, academia and profit-making organisations active in the field of internal security. The ISEC programme provides operating grants to support non-governmental organisations with a European dimension and both Programmes support public procurement contracts, for example for studies to inform policy making. Funding is also provided to the Joint Research Centre (JRC) via administrative arrangements.

In the period from 2007 to 2009, the General Programme on "Security and Safeguarding Liberties" cumulatively supported 400 projects and financed some 150 procurement contracts (accounting for about 10% of funds), worth a total of €167 million. These actions complement the actions financed by other EU instruments in the area of security research, IT systems, transport security etc.

Nature of Activities

Given the broad areas covered, the Programmes provide support for a wide range of activities, from training to the purchase of equipment, and from the preparation of technical publications to assistance to cross border police operations (including the Joint Investigation Teams). In the case of ISEC, projects tend to concentrate in five main areas, namely (i) tools and infrastructure, which is the main output for 22% of the projects, (ii) support to law enforcement operations (18%), (iii) training programmes (17%), (iv) publications (17%), and (v) conferences (14%). For CIPS, (i) 23% of projects have an operational cooperation and coordination component, (ii) 15% are focused on the development and creation of networks, (iii) 49% of projects are involved in technology and methodology transfer and (iv) another 44% deal with analytical activities.

Objectives and priorities

For ISEC, the legal basis identifies four objectives, of which two refer to operational approaches (the development of horizontal methods of crime prevention and the development of cooperation among law enforcement agencies and other bodies) and two relate to specific

groups of beneficiaries (the development of best practices for the protection and support of witnesses and crime victims). Many projects target more than one objective, with the vast majority focusing on horizontal methods of crime prevention (targeted by 79% of projects) and/or on cooperation between law enforcement agencies and other bodies (74%). Protection of victims of crime and protection of witnesses tend to attract much less attention, being the focus of, respectively, 14% and 3% of projects.

For CIPS, reference is made to seven objectives, subsumed under two broad categories, i.e. the prevention and preparedness of risks and consequence management. Three quarters of the projects are linked to both broad objectives. Overall, prevention and preparedness is targeted by 92% of the projects, while consequence management is an objective pursued by 63%.

Both Programmes present a high level of trans-nationality. Trans-national projects account for 80% of the projects in ISEC and 64% in CIPS. The transnational orientation of the Programmes is generally highly appreciated by stakeholders, who emphasize the importance of having the opportunity to test new cooperation agreements or, in many cases, to build on pre-existing longstanding co-operation. In fact, survey results reveal that some 90% of beneficiaries envisage a continuation of trans-national cooperation in the future, irrespective of any further participation in the Programmes. This is positive in that it points to, on one hand, the operational impact of the Programmes in the Member States and, on the other hand, their contribution towards the establishment of a trans-national approach.

Geographic coverage

In general, the geographic distribution of projects is fairly skewed, with a relatively small number of countries playing a leading role. In the case of ISEC, four countries (Germany, Italy, Netherlands and UK) account for about 48% of all the projects and for 51% of project value. The degree of concentration is even greater in the case of CIPS, with just two countries (Italy and Spain) accounting for 48% of projects and for 60% of projects value. The nature of proposals submitted and approved is one factor contributing to explain the geographical distribution of ISEC/CIPS initiatives, especially in terms of value. For instance, in the case of ISEC, actions related to the implementation of the Prüm Treaty (which sometimes involve the purchase of equipment), the provision of support to Joint Investigation Teams (JIT) or the establishment of complex networks (e.g. FIU.NET) tend to request higher grant amounts. In the case of CIPS, the size of projects is mostly correlated with the nature of beneficiary organizations, i.e. larger projects tend to be proposed by commercial entities and/or research institutes, while projects promoted by public entities are comparatively smaller.

European Migration Network

The European Migration Network (EMN) consists *inter alia* of national contact points in each Member State financed from the EU Budget (2007-2013: €49.3 million). Its mission is to provide up-to-date, objective, reliable and comparable information on asylum and migration to support policymakers, and to provide this information also to the wider public.

The external dimension of home affairs

The geographic and thematic external instruments which support the external dimension of home affairs policies under budget heading 4 "EU as global player" are programmed and

managed under the centralised direct management mode⁵⁹. Although funding for third countries in home affairs policy areas is increasingly being channelled through geographic programmes, the Thematic Programme "Cooperation with Third Countries in the Area of Migration and Asylum" under the Development Cooperation Instrument (DCI) remains the main instrument in support of the external dimension of migration and asylum policies. This programme is relatively small, with an average annual budget of €55 million (period 2007-2013: €384 million).

Although the Programme's objectives encompass the different facets of migration management policy, it is increasingly seen as a development oriented instrument because it has its legal basis in the Development Co-operation Instrument. As such, these funds make a very limited contribution to home affairs policy priorities because they do not provide any leverage in areas such as readmission and return negotiations, where the Commission is nonetheless expected to deliver. Of special interest is also the Instrument for Stability, which supports actions in third countries in policy areas such as crisis management, counter-terrorism, the fight against organised crime and police cooperation.

Home affairs agencies

Various regulatory agencies have been created in the home affairs area: the European Police College (CEPOL), the European Police Office (EUROPOL), the European Agency for the Management of Operational Cooperation at the External Borders (FRONTEX), the European Monitoring Centre for Drugs and Drug Addictions (EMCDDA) and the European Asylum Support Office (EASO) and the future IT Agency, whose legal basis is currently negotiated). These agencies represent approximately 18% of the home affairs budget and play an important role in fostering practical cooperation between the Member States.

Home affairs agencies	Total m €	Type of actions funded
FRONTEX	501,75	Coordination of external borders (including joint operations)
European Asylum Support Office (EASO)	40,25	Transnational cooperation on asylum, common portal on Country of Origin information, support Member States under particular pressure
Europol	332,19	Support and strengthen actions of competent public authorities in MS in their fight against organised crime and terrorism
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	102,37	Provide reliable information at EU level on drugs, drug addition and its consequences; collect, register and analyse information on emerging trends; facilitate exchange of best practices
European Police College	57,74	Training for police officers
IT-Agency	99,35	Operational management of SIS, VIS and Eurodac
Total	1 133,65	

⁵⁹ Instrument for Pre-Accession Assistance; the European Neighbourhood and Partnership Instrument; European Development Fund; Development Cooperation Instrument; Instrument for Stability.

Large-scale IT systems

Large-scale IT systems account for a reasonably large share of the Home Affairs budget (approximately 7%). Although these systems are currently being managed by the Commission, their management will be gradually transferred to the future IT-Agency which will begin operations in 2012. The IT-Agency will also be responsible for developing and managing future IT systems such as the Entry/Exit System and the Registered Traveller Programme.

Large-scale IT systems	Total m €	Type of actions funded
Schengen Information system (SIS)	150,9	Development SIS (EU component)
Visa Information system (VIS)	278,23	Development VIS (EU component)
Eurodac IT system	15,5	Implementation of Dublin II Regulation
Total	444,63	

ANNEX 4 – SUMMARY ASSESSMENT OF THE HOME AFFAIRS PROGRAMMES 2007-2013

Home affairs programmes

(1) General Programme "Security and Safeguarding Liberties"

In the area of internal security, the mid-term evaluation of the General Programme Security and Safeguarding Liberties⁶⁰ provides information on the implementation of the two Specific Programmes (ISEC and CIPS) and identifies areas for improvement. First conclusions show that the Specific Programmes achieve their objectives and should be continued. The mid-term evaluation also identifies areas for improvement. In particular, the Programmes are considered to cover too wide a range of activities and should be used more strategically by focussing more on political priorities as listed e.g. in the Internal Security Strategy. At the same time, important policy aspects such as the growingly important external dimension of the EU's internal security policy and emergency and crisis situations are not covered. In addition, more efforts should be made to streamline procedures (better timing of calls for proposals, amending the budget review exercise to increase efficiency, discontinuing the use of operating grants (ISEC), implementing a project monitoring system, enhancing the framework partnership concept) and stepping-up simplification efforts (use of flat-rates, lump sums etc) in order to reduce administrative burden.

(2) General Programme "Solidarity and management of migration flows"

Due to the timing imposed by the legal bases of the Funds under the General Programme "Solidarity and Management of Migration Flows", the results of the mid-term evaluations of the European Fund for the Integration of third-country nationals, the External Borders Fund and the Return Fund are not yet available. However, the national evaluation reports from the Member States on the implementation of actions co-financed by these Funds are available and serve as basis for formulating preliminary conclusions on the qualitative and quantitative aspects of the management and implementation of these three Funds. No mid-term evaluation was required for the European Refugee Fund (2008-2013) because the ex-post evaluation of the implementation of the Fund during the previous programming period (2005-2007) was ongoing and has meanwhile become available.

(a) European Refugee Fund II

The ex-post evaluation of the European Refugee Fund II (2005-2007) demonstrates that it directly benefitted more than 350,000 persons (asylum seekers, refugees and persons enjoying other forms of protection)⁶¹. In addition, more than 6,500 persons belonging to the project implementing organisations received support from the Fund, in particular for training or as a result of additional recruitment. It was instrumental in driving improvements in asylum and subsidiary protection in EU Member States and in particular in supporting the Member States that joined the EU since 2004 to quickly and effectively upgrade asylum seekers' reception conditions and the asylum procedure to EU standards; this was a major contribution to their compliance with the EU acquis of the Common European Asylum System. Of particular

⁶⁰ COM(2011)318 final of 16 June 2011: Communication on the mid-term evaluation of the Framework Programme "Security and Safeguarding Liberties" (2007-2013)

⁶¹ COM(2011)2 final of 14 January 2011: Communication on the results achieved and on qualitative and quantitative aspects of implementation of the European Refugee Fund for the period 2005-2007.

importance in this context was the emphasis put on vulnerable groups which account for an increasing proportion of asylum seekers. In the other Member States, the Fund supplemented national resources to support operations with genuine added-value, often innovative operations, to improve the reception conditions of asylum seekers and the integration of refugees over and above the minimal conditions. From 2005 to 2007, actions regarding voluntary return of asylum seekers, refugees and beneficiaries of international protection were also supported through ERF II, with 26,200 persons returned to their country of origin under these schemes. The Fund's assessment is therefore positive in all Member States. Overall, these achievements can be considered remarkable given the ERF's relatively limited resources (some €50 million per annum for the 2005-2007 programming period).

(b) European Fund for the Integration of Third-Country Nationals

In the 2007-2009 period the EIF supported about 1,950 projects, with an average EU contribution of € 76,000. As a rule, the projects were selected following open calls for proposals and beneficiaries belong to all organisation types (non-governmental organisations, local authorities, state bodies, etc). In line with the EIF's priority, implementation focussed on the integration process of newly arrived third-country nationals (70% of all projects), implementing the 'Common Basic Principles for Immigrant Integration Policy in the EU', with a wide range of operations, the most represented being participation in civic and social life, practical information and civic orientation, and language training.

Feedback from the Member States in the context of the mid-term review of the EIF indicates that it provides a rather flexible framework for supporting the efforts made by Member States to implement their integration strategies. In all but two Member States it is perceived as having a genuine added value that could not have been obtained through national programmes, policies, budgets and other EU financial instruments in the area of integration. The EIF enabled several Member States to set up, for the first time, a comprehensive policy framework for the integration of third-country nationals encompassing all of the Common Basic Principles. In more experienced Member States, the EIF was targeted in particular at specific or vulnerable groups, which were difficult or even impossible to reach with other funding instruments. It brought about substantial effects in areas such as the improvement of linguistic skills, promoting meaningful contact and constructive dialogue between third-country nationals and the receiving society, and addressing health problems. Although the EIF can co-finance actions in third countries such as pre-travel measures, little use has been made of this possibility by Member States so far because this practice is not widely established in the Member States.

The overall consumption of appropriations by Member States for the first years has been fairly high (around 82% for 2007 and 83% for 2008). Six Member States reported a budget use close to 100 % for the first year and four in 2008. Because the EIF is implemented mainly through open calls for proposals, programme implementation for 2007 and 2008 was delayed by the late approval of the national programmes near the end of 2008, but most Member States have caught up since.

(c) Return Fund

Since its creation in 2008, the Return Fund (RF) (2008-2013: €676 million) has supported both forced and voluntary returns, as well as the development of wider return management approaches and a specific focus on vulnerable persons.

In 2008-2009, the Return Fund supported measures aimed at capacity building of staff, investments in infrastructure and tools, research and identification of best practice and networking between Member States and with third countries. The most significant budgets were allocated to concrete return operations with a focus on assisted voluntary return, addressing the specific situation of vulnerable groups as well as support for specific innovative tools for return management such as tailor-made pre-departure counselling and reintegration projects with the goal to improve sustainability of returns. Numerous smaller projects are also implemented with the aim of supporting Community standards and best practices.

On the basis of the reporting for the mid-term review, most Member States gave a (partly) positive overall assessment of the results achieved through actions co-financed by the Fund. In some Member States, the Fund has facilitated the initiation or development of previously quasi-non-existent policies in assisted voluntary return and reintegration aid, and appears slowly to lead to a shift from forced return to associated voluntary return. Moreover, other Member States were able to offer more or higher financial incentives and/or support to returnees for setting up income-generating activities, thus resulting in sustainable returns. Besides improvements in assisted voluntary return and reintegration measures, outreach and counselling, activities co-financed by the Fund have led to increases in voluntary return in a number of Member States while co-operation projects between Member States and third countries have resulted in more removals by improving working arrangements with these countries on identification and the issuing of travel documents. Other positive results include increased exchange of information and best practices between Member States, improved data management, more sophisticated return operations and more flexibility in the reintegration assistance extended to returnees: instead of a lump-sum policy for all returnees, projects now also consider offering assistance in the form of training, individual guidance with business plans, purchase of necessary equipment for enterprises, rent and schooling charges etc.

According to reports submitted in the course of 2010, the overall consumption of appropriations by the Member States for the first years has been fairly high (around 85% for 2008 and 80% for 2009). Several main beneficiary Member States, such as Spain and the United Kingdom, have consistently committed their entire allocation.

A study was published in March 2011 by the European Migration Network's on "Programmes and Strategies in the EU Member States fostering Assisted Return to and Reintegration in Third Countries"⁶². The study maps the different forms of Assisted Return that are in place in the EU Member States in order to identify lessons learned, best practices and possible synergies to further develop and improve Assisted Return programmes in the EU. Overall, the report concludes that Assisted Return is increasingly seen by Member States as a valid and often preferable alternative to Forced Return. As a result, Member States are taking steps to make this a credible and feasible return option, including by measures to overcome the various obstacles persons who wish to return may face during the different phases of return (i.e. pre-return, transportation and post-return). Furthermore, in several Member States, the focus has also shifted from organising Assisted Return measures (solely) regarding the pre-return and transportation phases, to the post-return phase.

⁶² Available from <http://www.emn.europa.eu> under "EMN studies"

(d) External Borders Fund

In the 2007-2009 period Member States put a noticeable emphasis on actions aiming at improvement of the border infrastructure and equipment as well as investments related to the implementation of the necessary IT-systems such as VIS and SIS II. According to the approved programmes, between 70-75% is allocated to these two priorities, with support for visa policy amounting to 15-20%. In terms of results, Member States have flagged the following achievements: significant technical improvements in border infrastructure, reduction of time needed for passenger checks, possibility of implementing innovative projects, strengthening and modernisation of the systems of surveillance of the external maritime borders, increase in the effectiveness and mobility of services, increase in the capacity and efficiency of the IT systems and improvements in the visa issuing process.

Most Member States gave a positive overall assessment of the results achieved through actions co-financed by the EBF, classifying the possibilities under the EBF for projects as effective and useful. The Member States observed the following positive impacts (among others): significant technical improvements in border infrastructure, reduction of time needed for passenger checks, possibility of implementing of innovative projects, strengthening and modernisation of the systems of surveillance of the external maritime borders, increase in the effectiveness and mobility of services, increase in capacity and efficiency of the IT-systems and improvements in the visa issuing process.

The overall consumption of appropriations by Member States for the first years has been high (around 90% for 2007 and 2008). The rate for 2009 is at 70% but reporting did not cover the entire implementation period. Several main beneficiary Member States, such as Spain, Lithuania, Malta, have consistently committed the entire allocation although lower rates have been reported for Italy (90%) and Greece (between 60-70%).

Report on the application of the criteria for allocating to the Member States the resources available under the four Funds

A report on the application of the criteria for allocating to the Member States the resources available under the four Funds has been elaborated and is expected to be available by autumn 2011. The report describes the approach, procedures and tools put in place to carry out the annual calculations for the allocations and the implementation challenges encountered during the period 2007-2011. Preliminary conclusions indicate that the systems set up for the collection of the data on the basis of which funding is distributed are adequate. However, the amount and the complexity of the data to be collected and verified each year imposes a significant recurring burden on the Member States and the Commission; there may therefore be more cost-effective distribution keys to express the principle of solidarity at the heart of the Funds.

European Migration Network

Whilst the evaluation of the EMN was not completed at the time of this impact assessment, one element identified for the EMN's further development was for it to evolve into a true EU advisory council for migration gathering together representatives of Member States, academia, civil society, think-tanks and other EU/international entities.

External dimension of home affairs policies

(1) Thematic Programme for Cooperation with Third Countries in the Areas of Migration and Asylum

The mid-term review of the Thematic Programme for Cooperation with Third Countries in the Areas of Migration and Asylum⁶³ carried out in 2009/2010 gave a positive overall assessment of the Thematic Programme and highlighted the high quality of the technical assistance and capacity building provided through the projects. However, the evaluators also noted that the Thematic Programme did not manage to effectively involve governments from third countries as active stakeholders and therefore did not succeed in stimulating broad policy dialogue with third countries, which obviously limits considerably its impact. The over-dispersion of the Programme's rather limited resources is also a problem that should be tackled in the future if it is to become a real strategic tool in EU cooperation with third countries on migration and asylum. As a Programme under the Development Cooperation Instrument, the mid-term review also recommended to take more in consideration migration flows between developing countries and to other destinations than the EU. It was also recommended to better coordinate between the Thematic Programme and the geographical instruments, to provide more support to local civil society organizations and local authorities, to strengthen the Programme's mainstreaming of human rights and democratic principles and to ensure that third country governments are fully informed at the highest level of the projects being implemented in the country, so as to increase the Programme's visibility and facilitate the political dialogue.

(2) Regional Protection Programmes (RPP)

A 2009 external evaluation of pilot Regional Protection Programmes (RPP) concluded that the concept of RPP constitutes a first successful step towards establishing a mechanism for an increase of the capacity of areas which are close to regions of origin, or which are areas of transit, to protect refugees through the three durable solutions: repatriation, local integration and /or resettlement and that the RPP pilot projects have clearly contributed to achieving some of the objectives of the RPP Communication from 2005. The evaluation also noted that the fact that RPP were not funded through a dedicated funding stream but through several funding programmes with a more general, broader outlook, resulted in the diminution of the possible achievements of RPP, in particular in terms of visibility and understanding of the overall RPP concept and RPP awareness in the beneficiary countries. It recommends an earlier involvement of third country authorities, a higher degree of involvement of Member States and the integration in a more comprehensive way of a resettlement component in RPP by developing a participatory approach involving both Member States and third country authorities. The evaluation also recommends that the selection of RPP regions should continue to be based primarily on the assessment of the particular refugee situation in third countries, in particular the needs analyses undertaken by UNHCR, and that adequate funding be allocated to ensure that a truly regional intervention can be carried out and that the regional character is ensured, thus enhancing the effectiveness of the intervention.

⁶³ Available at: http://ec.europa.eu/europeaid/what/migration-asylum/index_en.htm

ANNEX 5 – POLICY CHALLENGES IN THE HOME AFFAIRS AREA

(1) Asylum

The Common European Asylum System (CEAS) requires that regardless of where they enter the EU, asylum seekers should receive minimum standards of treatment. In order to meet this obligation, Member States provide reception facilities and services and process asylum applications in line with these standards. This also implies identifying key areas for improving compliance with EU standards and developing capacity-building actions, including recruitment and training of staff and support to legislative and administrative transposition processes, as well as investment in infrastructure.

Asylum seeker and refugee flows are driven by military conflicts in third countries and political risk factors such as oppressive or autocratic regimes and human rights abuses. These often lead initially to increased emigration from the country concerned to neighbouring countries, with flows extending to countries further afield over a longer period. Those seeking asylum are also drawn by the relative high economic growth, employment, religious tolerance and cultural freedom enjoyed in the EU compared to some third countries.

Dealing with these flows of people seeking asylum or some form of international protection requires substantial resources and capabilities from Member States. Some Member States receive higher numbers of asylum seekers than the capacity of their system to process, support (through the provision of reception, health and social services) and protect asylum applicants. This is reflected in the difference in numbers of those seeking asylum or international protection relative to the population and wealth of the Member States. In the decade 1998-2007 there were each year on average 661 asylum applications in the EU per million population, with very marked variations between Member States in the rates of applications per million population (from 5,159 in Cyprus to 48 in Romania). These differences can to a large extent be explained by the geographical characteristics of the Member States such as proximity to third countries (e.g. Greece, Cyprus, Italy, Malta and Spain), the nature and number of border crossing points, but are also linked to the maturity and standards of the asylum systems (some Member States have less experience than others, and some may adopt higher standards than required by the CEAS).

The number of asylum applications can also fluctuate significantly. For example, in 2007 applications in Greece were three times the annual average in the preceding decade. Moreover, flows of migrants seeking asylum or international protection are composed of many different groups with different needs and motivations, some of which are particularly vulnerable such as unaccompanied minors, women, and victims of violence (including torture) and of trafficking in human beings.

In 2007, asylum-related costs were estimated at €4,160 million in the EU (i.e. on average €155 million per Member State). The estimated costs of dealing with asylum seekers on arrival and providing reception facilities during their application and possible returns process as a proportion of Gross Domestic Product (GDP) vary markedly between Member States. Amongst the countries where data are available, the proportion is highest in Malta (0.26%)

and lowest in Slovakia (0.005%)⁶⁴. Although the number of asylum seekers received by each Member State is the main driver of this variation in costs, the complexity of and fluctuation in migration flows are also factors which increase the costs of asylum procedures and systems.

Although there was a marked reduction in applications for asylum within the EU from circa 425,000 in 2001 to circa 250,000 in 2010, this was driven primarily by a reduction in the number of applications motivated by economic factors and more effective border controls. There is a strong likelihood that the drivers that give rise to bona fide asylum applications in the EU (war, repressive regimes, political instability etc.) will continue and even that new factors (such as water shortages and environmental disasters) emerge to contribute to the 'push' factors that in turn lead to the seeking of asylum. On the other hand, the number of those seeking protection in the EU may be reduced through enlargement and neighbourhood policies, the adoption of EU rights and standards of governance in third countries so that they become 'safe' and improvement of third countries' systems providing support for asylum seekers and those seeking international protection.

(2) Legal migration and integration

A forward-looking and comprehensive EU labour migration policy can help the EU's economy to meet the demographic challenge it is currently facing. The EU 2020 Strategy has recognised this need and the fact that better integration of migrants allows them to take full advantage of their potential and can help the EU reach its objective of increasing the employment rate of the population aged 20-64 from the current 69% to at least 75% by 2020. The Stockholm Programme states that integration policies should be supported through the further development of structures and tools for knowledge exchange and coordination with other relevant policy areas, such as employment, education and social inclusion.

According to Eurostat, an estimated 1.8 million third-country nationals immigrated to the EU in 2008⁶⁵, following a steady increase between 2000 and 2007. The stock of third-country nationals in the EU in 2010 was 20.2 million, i.e. 4% of the total population⁶⁶. According to Eurostat, in 2009 there were 570,000 long-term migrants (those who have legally resided in a Member State for at least five years)⁶⁷. Apart from those granted refugee or other forms of international protection, who account for 15% of residency permits issued in 2008, there are three main groups of legal migrants: first, those seeking employment in the EU thereby filling labour gaps and addressing skills shortages (economic migrants, 28%); second, those who come to the EU to complete education courses and training and research in the EU (student and researcher migrants, 15%); and third, those that relocate with an economic migrant to the EU or join them at a later date (non-economic or family migrants, 35%).

⁶⁴ Directorate-General for Home Affairs (2010): "What system of burden-sharing between Member States for the reception of asylum seekers?"

⁶⁵ Eurostat. Data are residence permit data in accordance with the Migration Statistics Regulation. Immigration means an action by which a person establishes his or her usual residence in the territory of a country for a period that is, or is expected to be, at least twelve months, having previously been usually resident in another country. Immigrant means a person undertaking immigration. See also: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-11-001/EN/KS-SF-11-001-EN.PDF

⁶⁶ Eurostat. See also: http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-11-034/EN/KS-SF-11-034-EN.PDF

⁶⁷ These migrants are also required to fulfil a set of other conditions, as specified under Council Directive 2003/109/EC, to qualify for 'long-term' resident status

The integration of these migrants is a key challenge for the EU and Member States, ensuring that they take active part in their new society and enjoy the same benefits, freedoms and rights as EU citizens, thus enabling the EU to benefit fully from their skills. Currently, some migrants experience lower labour market participation rates, poorer than average educational attainment and reduced social mobility compared to EU citizens. The lack of integration can lead to social difficulties, the cost of which is ultimately borne by society as a whole.

Moreover, there are marked variations in the proportions of third-country nationals in the workforces of Member States, ranging from 18% in Latvia to only 0.1% in Poland (EU 27 average was 5%). In addition, the need for integration is often more localised as particular migrant groups may choose to cluster in a particular neighbourhood, city or region. Such concentrations may lead to pressures on housing, health, social and education services and provoke social tensions which, in turn, may increase the need for integration measures. There are also gaps in employment rates between EU nationals and third-country nationals. In 2009, the average gap across the EU-27 was 9 percentage points (12pp for women) with the gap being largest in the Netherlands (23pp) and lowest in Malta (1pp)⁶⁸.

There is also a cost to the EU if, as a result of the lack of integration or other factors, new potential migrants who would have the potential to make an economic contribution to the EU chose not to migrate. This is best expressed in lost economic output or the costs to society from an otherwise increasing dependency rate. For example, the nearly 5 million legally resident foreign nationals in Italy (now accounting for about 7% of the population) play an important role in supporting demographics and the economy of the country, contributing 11.1% to national gross domestic product⁶⁹.

In terms of future developments, the level of legal migration from third countries to the EU for the purposes of employment post 2014 will depend upon the demand for employment and the supply of EU nationals but overall it is anticipated that certain categories of third-country nationals will specifically be encouraged to migrate (e.g. highly skilled, seasonal workers) and that there will be an increase in annual net inflows (net difference in numbers entering and exiting the EU) of migrants to the EU for the purpose of remunerated activities to 5.45 million in 2014 and 6.99 million in 2020. It is estimated that the number of third country migrants entering the EU for family reunification purpose will be 4.76 million in 2014 and 4.86 million in 2020⁷⁰ and student migration will be expected to remain relatively stable at around half a million in both 2014 and 2020. Overall, based on the aggregation of each type of migration, the annual inflow of legal migrants is expected to increase to 11 million in 2014 and 12.77 million in 2020. As a consequence, the effective integration of migrants from outside the EU is likely to be increasingly important to maintaining labour productivity and living standards in the EU⁷¹.

⁶⁸ Lodovici, M. S. (2010): 'Making a success of integrating immigrants in the labour market', Discussion Paper

⁶⁹ Caritas (2010): Dossier Statistico Immigrazione Caritas-Migrantes 2010, available at: http://www.caritasitaliana.it/materiali/Pubblicazioni/Libri_2010/dossier_immigrazione2010/scheda_sintesi.pdf

⁷⁰ European Migration Network: Study on Family Reunification (January 2008)

⁷¹ Another report, commissioned by the OECD and published in 2007, suggests that, in the absence of immigration and at constant labour force participation rates, the European labour force would shrink to 201 million in 2025 and to 160 million in 2050.

(3) Irregular migration and return

An EU policy on legal migration can be credible only if the EU simultaneously takes effective action against irregular immigration. Irregular migration occurs when migrants gain entry into the EU illegally, for example by crossing the borders of a Member State via smuggling or trafficking, by using false documents or a fraudulent statement of the purpose of stay. In other cases, migrants who entered the EU legally become irregular migrants by overstaying their visa or by violating the conditions of their visa, work permit or permit to stay. Similarly, asylum seekers who do not leave the EU when having received a (final) negative decision on their application for international protection or who abscond the application process without leaving the EU become irregular migrants. Critically, due to the free movement of persons in the Schengen area, the burden of dealing with irregular immigration does not necessarily fall on the country of entry but rather on the destination Member State targeted by the migrant.

The ‘push’ factors underlying asylum flows are also the main drivers of irregular migration, as are the extent to which effective controls at borders prevent illegal entry and the fact that it is difficult for Member States to detect and effectively remove those staying on their territory irregularly. On the other hand, structural ‘pull’ factors significantly influence the distribution of irregular migrants across Member States, such as historical ties between destination and source countries which tend to encourage irregular migrants to prefer specific countries over others as destinations, wage differentials and employment opportunities which tend to attract more irregular migrants and geographic proximity between source and destination countries.

Estimates of irregular immigration in the EU 27 vary, with estimates of between 4.5 million⁷² and 8 million⁷³ irregular migrants living in the EU in 2009 being cited frequently. Approximately 500,000 of these are apprehended annually, the majority of whom are overstayers choosing to remain in a Member State for economic reasons⁷⁴. Due to their geographic situation or attractive economic profile, some Member States face greater challenges in the area of irregular migration, receiving numbers of irregular migrants disproportionate to their capacity to detect, regularise or return such migrants. According to Eurostat, the estimated number of persons found to be illegally present is unevenly distributed across the EU 27, ranging from around 100 individuals per million population in Denmark in 2009, Latvia and Poland to over 9,000 in Cyprus and Greece. Moreover, the numbers of return orders served annually, on average, significantly exceeded the number of third-country nationals actually returned following such orders in most Member States.

As a result of the above, the costs incurred in meeting the challenge of irregular migration also vary considerably between Member States, depending on the number and cost of forced removals, the degree of development and use of the assisted voluntary return schemes and reintegration packages and the scope of other enforcement measures (such as reception and detention facilities for irregular migrants).

Irregular immigration is costly not only for the ‘target’ Member States which spend considerable sums on enforcement measures, including detention, identification, return and

⁷² European Commission, Directorate General for Communication (2009): ‘Migration in the European Union: An opportunity and a challenge’, ‘Europe on the move’ document completed in May 2009

⁷³ Lodovici, M. S. (2010): ‘Making a success of integrating immigrants in the labour market’, Discussion Paper

⁷⁴ European Commission, Directorate General for Communication (2009): ‘Migration in the European Union: An opportunity and a challenge’, ‘Europe on the move’ document completed in May 2009

reintegration operations, but also for the migrants involved. Europol estimates that recent migration flows from Iraq into the EU were exploited by organised crime groups, which facilitated irregular immigration for fees of €10,000 per individual or more⁷⁵. Irregular immigration provides finance to organised criminal gangs through activities such as travel document misuse or falsification (acquisition of visas or residence permits on false grounds). Moreover, in terms of development of harmonious relations between the host population and migrant communities, continued irregular stay may give rise to hostility, prejudice and social division. This prejudice tends to be reinforced by the association of irregular immigration with criminal activities in general.

The number of ‘new’ irregular migrants in the EU is likely to decrease in future years, largely as a result of the implementation of policy measures and practices to prevent, detect and take care of irregular migrants. However, the stock of irregular migrants is unlikely to reduce markedly even if there were significant improvements in detection and removal rates of existing irregular migrants but some reduction can be anticipated. The EU's attractive labour market and high living standards are the main factors encouraging irregular migration and it is very likely that this will remain the case after 2014⁷⁶. Through assisted voluntary return and reintegration programmes, readmission agreements, migration partnerships and other forms of cooperation with third countries, the EU may seek to reduce the flows of irregular migration to end the incidence of irregular stay in its territory.

(4) Management of the EU's external borders

About 240 million individuals cross the external land borders and 80 million the external maritime borders of the Schengen area, including Cyprus, Bulgaria and Romania (2010 figures). These Member States registered about 364 million passengers arriving by air in the same year. The number of visas issued by the Schengen States in 2010 amounted to nearly 12 million (including airport-transit, transit and short term stay visas). The drivers of cross-border movements are the same as those linked to migration (legal and irregular). In addition to these drivers, changes to economic activity and disposable incomes in the emerging BRIC economies⁷⁷ and in other developed economies (i.e. Japan, US, Canada) have an impact on the number of people passing through European borders for business or recreational purposes.

The external land border of the EU is nearly 8,000 km long and the maritime border almost 80,000 km long⁷⁸. There are 1,802 border crossing points in the EU Member States, of which nearly half (810) are along the maritime borders, 667 comprise airports and the remaining 325 are land border points. The external Schengen land border is 8,826 km long, while the maritime Schengen border is nearly 43,000 km long and accounts for over half (53%) of the EU-27 maritime borders. Integrating the management and surveillance of borders is therefore a complex and costly exercise, but necessary to maintain effective border control. The resources required to deploy around 11,500 border guards on the external border was

⁷⁵ Europol (2008): ‘Facilitated irregular migration into the European Union’

⁷⁶ Duvell, F. (COMPAS) *Irregular Migration in Northern Europe: Overview and Comparison* Clandestino Project Conference, London, 27/3/2009

⁷⁷ Commonly refers to Brazil, Russia, India and China, and in some cases South Korea and South Africa (BRICKS)

⁷⁸ UK House of Lords, European Union Committee (2008): ‘FRONTEX: the EU external borders agency – report with evidence’, 9th Report of Session 2007-08

estimated at approximately €400 million in 2008⁷⁹, or around €35,000 per border guard on average.

Effective border control is an important pre-condition for the development of the Schengen area without internal borders and for the accomplishment of all of the objectives in the areas of migration and security. Once an individual has entered at a particular point he or she can then move virtually without restriction to other Member States, irrespective of his/her right to reside elsewhere. In consequence, every Member State in the Schengen area has an interest in the effectiveness with which others control the external borders for which they are responsible, since they stand to be adversely affected through an unwanted influx of irregular migrants if this task is performed inefficiently. This is a compelling argument for common standards and some means of ensuring the effective application of these standards, despite the fact that the ultimate responsibility remains with the Member States concerned, and it has been the basis for the development of the Schengen acquis in this area. Effective, efficient and secure border control is essential for the free movement of legally residing third-country nationals and EU citizens, as well as to maintain internal security. Information sharing between different law enforcement authorities, training of border staff and the development of shared competencies are therefore also important.

The responsibilities for border control differ considerably from Member State to Member State, resulting in them bearing a disproportionate share of the associated costs. Member States at the periphery of the EU with long borders and many border crossing points have larger responsibilities than other Member States to prevent irregular migration, facilitate bona fide cross-border movements and provide security. For example, Romania accounts for 24% of the EU's Eastern external borders, whereas Hungary and Slovakia account for only 2% and 1% respectively. In terms of the EU's Southern maritime borders, Greece accounts for 40% and Slovenia for 0.1%. The length of external border therefore varies widely between Member States, as does the associated cost of protecting it.

A number of border control characteristics also contribute to the rationale for EU action, namely the workload in terms of the checks on persons depends largely on migration flows and the location of key entry points which are the first points of entry for passengers and goods. Another indicator of the variation in the burden borne annually by different Member States in this area is the number of visa applications received per consular office in each Member State. In 2009, an average of 22,741 visa applications was received per consular office in Finland against on average 1,374 per consular office in Luxembourg.

To ensure adequate control, two crucial large-scale IT systems are being established for the management of the external borders: the Visa Information System (VIS) and the Schengen Information System (SIS II). Sufficient financial support is needed to ensure the maintenance of these systems and the functioning of a future IT Agency which will gradually take over the management and development of these systems. Sufficient financial assistance will also be needed for the development and maintenance of any future IT-systems, such as the Entry/Exit System and the Registered Traveller Programme.

Frontex supports the efficient implementation of the acquis on border control and coordinates joint operations, including the pooling of human and technical resources made available by

⁷⁹ European Commission (2008): 'Impact assessment: Preparing the next steps in border management in the European Union', SEC(2008) 153

Member States at European level in order to provide short-term assistance in order to safeguard the integrity of the EU's border security system in case of urgent and exceptional migratory pressures. For example, in response to the detection of massive illegal border crossings (some 75,000) at the Greek/Turkish border in 2010, Frontex coordinated the deployment of a Rapid Border Intervention Team ("RABIT") and in 2011, following the influx of migrants and asylum seekers from northern African countries witnessed in the Pelagic Islands (in particular, Lampedusa), Italy made a formal request for a Frontex-led Joint Operation to strengthen border surveillance.

The further development of the EU common visa policy is another priority with a view to facilitating legitimate travel, tackling irregular immigration, improving local consular cooperation and to fight against visa fraud. In the Schengen area, persons holding a visa or residence permit from a Member State can move freely to other countries. Member States are therefore issuing visas not only in their own interest. There is a common interest that all visas are issued under common standards so as to ensure that the beneficiaries are bona fide travellers and do not pose an unnecessary additional burden on border controls of other Member States at the time of their arrival at the borders. The further development of the common visa policy would benefit from reinforced co-operation and information sharing between the Member States' consulates.

The aforementioned passenger flows and movements of persons crossing the EU external borders are part of a rising trend which is expected to persist in the coming years. Assuming a continuing average growth rate of around 2% in the number of trips made by EU residents going abroad for holidays or business purposes (Eurostat), the number of crossings of the EU external borders is expected to rise to around 324 million in 2014 and 350 million in 2020. It is also reasonable to assume that the Schengen area will be extended and some candidate countries will accede to the EU between 2014 and 2020. The challenge of managing the EU borders is thus likely to increase. At the same time, the application of new technologies should ease the border crossing process for bona fide travellers. In addition, more information will be known about those crossing borders and the envisaged entry/exit system will facilitate the identification of 'over-stayers' who entered the EU legally. Further harmonisation of approaches to border controls is also expected.

(5) Prevention of and fight against organised crime

Organised crime in its various forms (e.g. drug trafficking, trafficking in human beings, crimes by itinerant criminal gangs, money laundering, fraud, cybercrime, corruption, counterfeited products and firearms, sexual exploitation of children, and various environmental crimes) poses major problems for the EU. There is a continued need to effectively prevent such crime and, when it does occur, to convict its perpetrators in order to ensure that "crime does not pay" and in order to bring justice for victims. However, organised crime is increasingly cross-border in nature. This reduces the effectiveness of national law enforcement activities and encourages criminals to evade law enforcement bodies by crossing over European borders and jurisdictions.

Data on levels of 'organised crime' are not available but according to Eurostat crime rates have been fairly stable in the EU; typically in the 28 to 30 million recorded crimes per annum

range over the 2000 to 2007 period, with a slight decline to just over 27 million in 2008⁸⁰. The aggregate impact of cybercrime, counterfeiting, organised road cargo/freight theft, drug trafficking, payment card fraud and trafficking in human beings in terms of annual costs to the EU economy is roughly estimated to be close to €233 billion. Organised crime in all its forms could therefore cost the EU over €250 billion per year (if other organised crime is included, such as money laundering, trafficking in firearms and environmental crime⁸¹). The annual costs of cybercrime, organised theft of road cargo or freight and drug trafficking to the EU are the largest in monetary terms, with the costs of internet crime alone estimated at €220 billion in 2010⁸². The direct costs of addressing these crimes are high. For instance, €4,179 was spent on protecting the average victim of trafficking in human beings in 2009⁸³, which could be avoided through better crime prevention.

Whilst the total number of crimes committed has remained relatively stable, their composition has changed significantly, with more sophisticated crimes such as cybercrime and payment card fraud growing in importance. As knowledge of these crimes is limited and evolving with changes to technology and increased internet activity, this is also an area where law enforcement authorities benefit most from information sharing and greater cooperation. In addition, some Member States are more "sensitive" to some forms of organised crime than others. For example, in relation to incidents of organised road cargo or freight crime, the loss rates documented across Member States vary substantially with the UK and the Netherlands facing significantly higher risks of losses incurred than Cyprus and Slovenia⁸⁴.

In the coming years, the nature of crime is expected to change. Cross-border and organised crime can be expected to increase and it is likely that the costs of this crime will increase, as it becomes more sophisticated and international in nature. Some types of organised crime such as drug trafficking and trafficking in human beings are anticipated to remain at current levels or decline through targeted legislation and improvements in border controls. By contrast, it can be expected that other types of crime (e.g. fraud, money laundering and cybercrime) will grow as technology develops and criminals involved become more sophisticated. The costs of these crimes are very high. For example, the overall annual EU-level costs of cybercrime were estimated to be €750 billion in 2010⁸⁵ or 1% of world GDP. On the other hand, there will be improved measures to facilitate information sharing and cooperation between Member State law enforcement authorities. This should make it easier to combat organised crime which is often cross-border in nature.

(6) Prevention of and fight against terrorism and other security-related risks

Terrorism and other security-related risks including their assessment and management present a major challenge to internal security in the EU. Following the 9/11 attack and the subsequent

⁸⁰ However, these estimates do not differentiate between organised crime and other types of crime (for instance, the figures include petty robberies and burglaries).

⁸¹ The heading 'environmental crime' encompasses crime pertaining to pollution (in particular, hazardous waste dumping and the trade in ozone-depleting substances) and illicit harvesting of natural resources (in particular, threatened animal species, fish and timber)

⁸² Office of Cyber Security & Information Assurance, UK and Detica (2011): "The Cost of Cyber Crime"

⁸³ European Commission (2009): "Impact assessment of a Council Framework Decision on preventing and combating trafficking in human beings, and protecting victims, repealing Framework Decision 2002/629/JHA", SEC(2009) 358

⁸⁴ Europol (2009): 'Cargo Theft Report: Applying the Brakes to Road Cargo Crime in Europe'

⁸⁵ EurActiv update (2010): 'EU to establish cybercrime agency', available at <http://www.euractiv.com/en/infosociety/eu-establish-cybercrime-agency-news-486715>

bombings in Madrid and London, the EU has developed a coherent counter-terrorism approach by way of the 2005 EU Counter-Terrorism Strategy and the strategic priorities identified by the 2010 Internal Security Strategy. Terrorism presents unique threats in comparison to organised crime owing to the sporadic and transnational nature of offences, the potential for generating fear across Member States and the longer term fear perceptions that tend to be created. The latter is highlighted by qualitative survey evidence⁸⁶ which indicates that terrorist offences constitute an area of increasing concern for the EU public.

In 2010, nine EU Member States reported that 249 terrorist attacks had failed, foiled or been successfully undertaken on their territory⁸⁷, representing a 20% fall relative to the corresponding statistic for 2009 (319 attacks). The overall number of arrests for terrorism-related offences remained almost unchanged, decreasing slightly from 623 (2009) to 611 individuals (2010), and comprise both individuals linked to Islamist terrorism and individuals arrested for terrorist offences related to violent separatist activities. In relation to the latter, the majority of arrests were made in France (123 individuals) and Spain (104 individuals), given the preponderance of separatist attacks in these countries. However, the fact that the arrests were made across fifteen Member States while attacks were actually carried out in only nine Member States in 2010 highlights the transnational character of the threat, and the significance of an EU-level strategy and coordination between national authorities.

Data on the costs of terrorism are extremely limited⁸⁸. The costs of financing terrorist attacks are often low⁸⁹. The Madrid bombings, for instance, are estimated to have cost the terrorists involved about €8,000⁹⁰. The consequences of such attacks are much more important. The Madrid bombings, blasting several commuter trains, caused the death of 191 people and left 1,841 injured. The immediate material damages of the attack were estimated at €17.62 million, and minimum direct economic cost has been estimated at more than €211.58m⁹¹.

It can be anticipated that the continued efforts of Member States and EU legislative action will reduce terrorist activities and their consequent harm through improvements in the cooperation of law enforcement authorities, targeted legislation and action plans as well as practices that restrict the opportunities of would-be terrorists to access and use explosive precursors and CBRN materials. However, there is little prospect of the threat of terrorism reducing substantially in the foreseeable future: Irrespective of the death of Osama Bin Laden, islamist terrorism is expected to continue to be a threat, the connections between terrorism and organised criminal activities appear to be growing, separatist and ethno-nationalist terrorist groups continue to be active and single-issue extremism (e.g. animal rights activists) is on the increase and the internet continues to be used as a tool for facilitating terrorism.

⁸⁶ See for instance European Commission (2007): “Eurobarometer 67: Public opinion in the European Union”, available at http://ec.europa.eu/public_opinion/archives/eb/eb67/eb67_es_exec.pdf

⁸⁷ Europol (2011): “TE-SAT 2011: EU Terrorism Situation and Trend Report”

⁸⁸ See e.g. the EP commissioned study on estimated costs of EU Counter-Terrorism measures (June 2011), available at <http://www.europarl.europa.eu/activities/committees/studies/download.do?language=fr&file=36811>;

⁸⁹ Europol (2010): “TE-SAT 2010: EU Terrorism Situation and Trend Report”

⁹⁰ UK House of Lords, European Union Committee (2005): ‘After Madrid: the EU’s response to terrorism – Report with Evidence’

⁹¹ The economic costs of March 11: Measuring the direct economic costs of the terrorist attacks on March 11, 2004 in Madrid. Mikel Buesa, Aurelia Valiño, Joost Theijs, Thomas Baumert and Javier González Gomez

ANNEX 6 – COMPLEMENTARITY OF THE ASYLUM AND MIGRATION FUND AND INTERNAL SECURITY FUND WITH OTHER EU INSTRUMENTS

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

- **European Social Fund:** The European Social Fund currently supports integration measures on access to the labour market whereas the Integration Fund finances measures such as civic orientation courses, participation in social and civic life, equal access to services, etc. The complementarity between both instruments is considered to work. Integration measures will therefore continue to be supported along the same lines under the Asylum and Migration Fund and the future European Social Fund.
- **Civil Protection Financial Instrument:** The dividing line to the civil protection financial instrument will not change and remain as described in Article 3 of the current CIPS programme: natural disasters as well as unintentional man-made disasters are for civil protection (accidents), whereas intentional, man-made disasters are security-relevant and will therefore be covered by the Internal Security Fund.
- **EU Solidarity Fund:** Terrorist attacks or other security-related incidents are currently not covered by the EU Solidarity Fund. In 2005, the Commission proposed to broaden the EU Solidarity Fund. This proposal was welcomed by Parliament but rejected by Council. As there has been no change in the position of the Council, emergency funding possibilities in case of a major terrorist attack or other security-relevant incidents need to be included in the Internal Security Fund.
- **8th Framework Programme:** The gap between security research and the practical application of the results of such research will be closed under the next Multiannual Financial Framework. The Internal Security Fund will foresee specific objectives and eligible actions to allow for the funding of testing and validating of scientific research results ("prototypes") with a view to their serial application in practice ("pre-commercial procurement").
- **Justice Programme:** The currently six programmes in the area of justice, rights and equality will be merged into two programmes: a Justice programme and a Citizenship programme. The Justice programme is closely linked and complementary to the Internal Security Fund, especially its criminal justice component but is more focussed on judicial cooperation, procedural harmonisation and mutual recognition which in practice prevent substantial overlaps.

The external dimension components of the Asylum and Migration Fund and the Internal Security Fund will support actions in and in relation to third countries which cater primarily for EU interests and objectives, have a direct impact in the EU and its Member States and ensure continuity with activities implemented in the territory of the EU. This funding will be designed and implemented in coherence with EU external action and foreign policy. It is not intended to support actions which are development oriented and will complement, when appropriate, the financial assistance provided through external aid instruments. While those instruments either support beneficiary countries development needs or support general EU

political interests with strategic partners, home affairs funds will support specific actions in third countries in the interest of EU migration policy and EU internal security objectives. They will therefore fill a specific gap and will contribute to completing the toolbox at the disposal of the Union.

Home affairs policies should be strongly embedded in EU external action and this should logically be translated into more financial assistance to third countries in those policy areas both through **geographic** (which constitute the main source of funding) and **thematic** instruments.

In this context, the following thematic instruments would be of particular interest for the home affairs area:

- The successor to the **Thematic Programme "Migration & Asylum"**: in principle, four of the thematic programmes included in the current DCI Regulation (Environment, Food Security, Investing in People and Migration & Asylum) will be merged under the future DCI Regulation into a single thematic programme dedicated to global public goods. Migration and asylum should be one of the main focuses of such an instrument.
- **Instrument for Stability**: The main focus of the future Instrument for Stability (IfS) is the response to situations of crisis or emerging crises (peace building, support to interim administrations, support to the development of pluralistic and democratic institutions, support for international criminal courts, demobilisation and reintegration, anti-personnel land mines, etc.). However, it will also support security-related actions, mainly through its long-term component, such as actions addressing sudden population movements, the fight against terrorism and organised crime, support to law enforcement authorities, border management, fight against trafficking in human beings, etc.).

ANNEX 7 – SUMMARY RESULTS OF THE PUBLIC CONSULTATION ON THE FUTURE OF EU FUNDING FOR HOME AFFAIRS AFTER 2013

(1) General information

The public consultation ran from 5 January to 20 March 2011. An on-line questionnaire, hosted by the European Union's Europa website, was open to all stakeholders interested. The questionnaire had 32 questions covering both general questions about the future needs of the home affairs policy area, and more detailed questions about specific policy fields and delivery mechanisms.

The exercise was open to all stakeholders, both within the EU and third countries and all citizens and organisations were therefore welcome to contribute. Contributions were sought from persons, Member States, EU Institutions, local, regional and national authorities, international organisations, intergovernmental and non-governmental organisations, academic institutions, third countries, social partners and civil society, and in particular organisations with experience of the programmes in support of home affairs policies.

In order to receive as many responses as possible the questionnaire was produced in 22 different languages and could be printed off and submitted separately by post, fax or email. Additionally, some stakeholders provided position papers expressing their views as an organisation or individual. These are also included in the following summary.

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

(2) Responses to the questionnaire

At the end of the consultation exercise, 115 responses were received from individuals and on behalf of organisations, including 8 position papers⁹². Omitting any duplicates and accounting for missing responses to some questions, most questions achieved a response rate above 100 (i.e. over 100 responses).

78% of responses were received on behalf of organisations and 22% from individuals⁹³. A breakdown of responses by organisation type shows that 51% of responses were received from national public administrations, 17% from Non-governmental organisations and 10% from regional and local public bodies. Additionally, responses were received from international organisations (6%), research institutes (4%) and business organisations (3%), including private companies (4%). Of these responses, most were received from respondents in Spain (11%) and Belgium⁹⁴ (12%), Cyprus, Finland, Hungary and Italy (6% each). Respondents from all Member States however contributed to the consultation as well as respondents in some third countries (4%). Overall, the sample is deemed to be representative of the organisations benefiting and managing EU funds in the home affairs area. However, it was found that many organisations that gave a no opinion response to many of the questions did so due to the unfamiliarity of the topic under discussion. For example, many national law

⁹² A number of responses were found to be incomplete or submitted in duplicate.

⁹³ Comments presented in this document are aggregated from individuals and organisations, comments attributed to individuals are however indicated where appropriate.

⁹⁴ Many international and European organisations are located in Belgium

enforcement authorities did not respond or gave a no opinion response to questions relating to migration management and borders. Equally, non-governmental organisations in the migration field provided similar responses to internal security questions.

(3) Main results and conclusions

In general, respondents strongly support the need for simplification in the delivery of home affairs policies, the need for greater flexibility (specifically in relation to the ability to deal with migration and security related crises), and the need for increased funding and support in areas with a strong burden sharing (asylum and borders) and/or cooperative dimension (internal security, agencies). Responses demonstrate that only through these measures can EU added value be enhanced and the effectiveness and efficiency of instruments improved. Greater home affairs policy leverage in third countries was also shown to be important and desired by stakeholders.

The headline results of the stakeholder consultation exercise are:

- **EU Value Added:** Was judged to be greatest by respondents in areas of prevention and fight against terrorism and organised crime, law enforcement, legal migration and integration of third country nationals, and in building a Common European Asylum System (CEAS). This reflects the added value to be gained in the newer areas of the EU's competency.
- **Funding Sources:** Responses on behalf of organisations clearly identified EU level funding as an important source of funding in all policy areas. However, individual respondents demonstrated a much higher preference for national funding sources.
- **Future Level of Financial support:** A lack of consensus appeared to exist in many areas as to whether current spending levels of the EU should be maintained or increased. Calls for funding to be reduced were however strongest in relation to the visa, returns and integrated border management policy areas.
- **Future needs in Immigration and Asylum:** Future needs were found to be greatest in capacity building for asylum systems and integration of refugees, integration policies and best practice, and in the prevention and control of irregular migration and criminal activities. This highlights the important need to support cooperation across policy areas, the need to support Member States dealing with disproportionate inflows of asylum seekers and to share the responsibility of building and maintaining necessary capabilities to deal with influxes of third country nationals (legal and irregular).
- **Future needs in Migration and Border Control:** A clear preference for preventive action was highlighted by respondents, as opposed to control measures, indicating the potential importance of the external dimension to improve the efficiency and effectiveness of border systems, through actions in third countries.
- **Future needs in Internal Security:** The need to support crisis management, fund training of law enforcement officials and provide assistance in the development of new security solutions were all highlighted as important needs in the internal security field.

- **Future needs in the External Dimension:** Strong support was indicated for a more comprehensive approach to internal and external aspects of home affairs policies as well as for operations in third countries with a direct impact on EU internal security.
- **Practical Cooperation:** The scope for greater practical cooperation across all policy areas between Member States was clearly evident in stakeholder responses.
- **Agencies:** The majority of respondents indicated that agencies positively contributed to the achievement of Home Affairs policies. However they also agreed that agencies do not currently receive sufficient funding to carry out their tasks. Again, greater scope for cooperation and more synergies between agencies, the Commission, and Member States was highlighted as an important need in the future.
- **Simplification of Delivery Mechanisms:** Respondents unanimously identified the need for simplification in the delivery of Home Affairs policies. The most popular suggestions for how this could be achieved included: 1) Allowing for an increase in the levels of EU co-financing percentages to underpin performance, to promote strategic priorities or to address specific needs of Member States; 2) Replacing the combination of a multiannual strategy and annual programmes with a multiannual programming document and annual reporting on progress made, and 3) Supporting strategic programming in Member States by defining common targets at EU level. Proposals for reducing the number of Funds, establishing a performance reserve and increasing the use of the shared management mode also found strong support.
- **Flexibility:** Respondents highlighted the fact that crises such as a terrorist attack, the sudden arrival of asylum seekers or irregular migrants in large numbers at the borders of the EU are representative of situations where an emergency response could be triggered and where Member States could need EU support. The need for an emergency response mechanism is therefore clearly identified. Many respondents indicated that the current mechanisms are not adequate and that an improved emergency mechanism should be incorporated under the next Multi-annual Financial Framework.

ANNEX 8 – EXAMPLES OF INDICATIVE INDICATORS

Specific objectives	Examples of key output indicators	Examples of key result and impact indicators
To facilitate legal migration to the EU in line with the economic and social needs of the Member States and support the integration of legally residing third-country nationals	<ul style="list-style-type: none"> • Number of third-country nationals who benefited from social and/or legal services or specific assistance within the framework of related administrative procedures (by gender) • Number of third-country nationals who benefited from orientation, language and other support furthering their integration into society (by gender) • Number of persons reached with a two-way process integration activity (by gender) • Number of integration professionals, including from non-profit organisations, benefitting from capacity building measures 	<ul style="list-style-type: none"> • Improved capacity in providing third-country nationals with services and specific assistance within the framework of related administrative procedures • Improved integration of third-country nationals in the receiving society • Consistent strategies for the integration of third-country nationals at regional and local level
To support the implementation of the Common European Asylum System (CEAS)	<ul style="list-style-type: none"> • Number of target group persons (asylum seekers, refugees etc.) who benefited from social and/or legal services or specific assistance (by gender) • Number of reception infrastructure and services added or improved for the benefit of the target-population • Number of refugees resettled into the EU (by gender) • Number of beneficiaries of and/or applicants for international protection relocated from one Member State to another Member State (by gender) • Number of asylum procedures improved • Number of cooperation activities between national asylum administrations 	<ul style="list-style-type: none"> • Development of an EU resettlement programme • Improved facilities and services for asylum seekers • Improved capacity in asylum processing • Speeding-up the full implementation of the EU <i>acquis</i> in Member State(s) joining the EU
To reduce irregular migration and promote voluntary return	<ul style="list-style-type: none"> • Number of third-country nationals who benefited from social and/or legal services or specific assistance within the framework of administrative (removal) procedures (by gender) • Number of third-country nationals who availed themselves of assisted voluntary return 	<ul style="list-style-type: none"> • Improved facilities and services for returnees • Increase in numbers of third-country nationals having returned, voluntarily or not, as a results of measures

	<p>programmes (where appropriate including reintegration measures)</p> <ul style="list-style-type: none"> • Number of reception and/or detention places added or improved for the benefit of the target population • Number of return management professionals, including from non-profit, benefiting from training and exchange programmes • Number of measures improving the practical co-operation with third countries in the identification and readmission of third-country nationals 	improving capacity in return management
To support the external aspects of the EU's migration policy	<ul style="list-style-type: none"> • Number of third-country nationals who benefited from a Mobility Partnership supported by the EU (by gender) • Number of refugees resettled into the EU in the context of Regional Protection Programmes supported by the EU (by gender) • Number of third-country nationals who were returned under readmission arrangements supported by the EU (by gender) 	<ul style="list-style-type: none"> • Improved cooperation with third-countries on the management of migration flows • Speed of operations: time between request for resettlement /return operation and completing it • Speed of operations: time between request for identification and readmission of the person concerned
To strengthen EU external borders	<ul style="list-style-type: none"> • Number of border crossing points equipped, secured and/or enhanced with state-of the-art technology facilitating smooth and secure border checks • Number of operating equipment and/or systems allowing optimal documentary checks purchased, replaced and/or upgraded • Number of third-country nationals benefiting from local border traffic agreements • Number of border surveillance systems introduced and/or upgraded within the framework of EUROSUR • Number of means of transport (air, sea or land borne) purchased, replaced and/or upgraded for border surveillance • Number of communication tools and systems purchased, replaced and/or upgraded for co-operation between border guards, migration and law enforcement authorities within 	<ul style="list-style-type: none"> • Improved resources deployment at external borders • Reduced permeability of external borders • Number of travellers affected by EU entry/exit system • Increased size of the external borders affected covered by the EUROSUR • Increased border security • Uniform and correct application of EU acquis on borders • Increased internal security through an improved interagency co-operation at the borders

	<p>the framework of an integrated border management</p> <ul style="list-style-type: none"> • Number of third-country nationals apprehended at the external border • Number of border guards and related staff benefiting from training and exchange programmes 	
To facilitate mobility across EU external borders	<ul style="list-style-type: none"> • Number of third-country nationals benefiting from consular services abroad • Number of regional consular co-operation activities carried out • Number of immigration liaison officers stationed in third countries supporting the visa issuing process and the prevention of irregular entry • Number of consular posts equipped, secured and/or enhanced to provide quality of service to visa applicants • Number of consular staff benefiting from training and exchange programmes 	<ul style="list-style-type: none"> • Facilitated access for third-country nationals to the EU • Number of passengers affected by an EU registered traveller programme • Uniform and correct application of EU acquis on visa • Improved capacity in visa issuing
To reduce the risk of and increase detection and successful prosecution of cross-border and organised crime, terrorism and other serious security-related threats	<ul style="list-style-type: none"> • Number of networks , exchange of information and/or operational co-operation activities (e.g. JITs) established between Member States/EU and Agencies • Number of policemen trained by Member States and relevant EU agencies • Number of acquired interoperable technologies, equipment and/or infrastructure • Number of secure links and cooperation channels between crisis coordination actors at EU and national level • Number of threat and risk assessments produced • Number of economic sectors covered by Directive 2008/114 • Number of networks, exchange of information and/or operational co-operation activities established between Member States/EU and Agencies 	<ul style="list-style-type: none"> • Enhanced sharing of information, co-ordination and/or co-operation between Member States in crime, terrorism and other security-related threats • Enhanced administrative and operational capabilities • Coherent EU policy on risk management linking threat and risk assessments to policy making • Effective and coordinated EU response to crisis, linking up existing capabilities and expertise

To support the external aspects of the EU's internal security policy	<ul style="list-style-type: none"> • Number of networks, exchange of information and/or operational co-operation activities established between Member States/EU, Agencies and third countries 	<ul style="list-style-type: none"> • Enhanced sharing of information, co-ordination and/or co-operation between Member States and third countries
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