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STATEMENT OF THE COUNCIL'S REASONS

Subject: Position of the Council at first reading with a view to the adoption of a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment

- Statement of the Council's reasons
- Adopted by the Council on 27 May 2021

I. INTRODUCTION

1. On 12 June 2018, the Commission submitted to the Council and the European Parliament a Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Integrated Border Management Fund, the instrument for financial support for customs control equipment¹.
2. The European Economic and Social Committee adopted its opinion on 17 October 2018².
3. On 16 April 2019, the European Parliament adopted its legislative resolution on the proposal³, thus concluding its first reading.
4. The Permanent Representatives Committee provided the Presidency with the partial mandate⁴ to enter into informal negotiations with the Parliament with some provisions remaining in brackets due to their link to the overall MFF discussions or their horizontal nature.
5. Following the first political trilogue, held on 26 November 2019, the Presidency reached a common understanding⁵ with the representatives of the European Parliament. Some elements were left outside of the scope of the negotiations, as they required the completion of negotiations on the Multiannual Financial Framework 2021-2027 for the Council to be able to establish its position.
6. The full mandate for negotiations taking into account the conclusions of the European Council on the 2021-2027 MFF and the Recovery package adopted on 21 July 2020⁶ was endorsed by the Permanent Representatives Committee on 16 December 2020⁷.

1 Doc. ST 10325/18.

2 OJ C 62 of 15.2.2019, p. 67.

3 Doc. 8057/19.

4 Doc. 15513/1/18 REV 1.

5 Doc. 15010/19.

6 Doc. ST 10/20.

7 Doc. 13822/20.

7. At the second political trilogue on 16 March 2021, a provisional agreement on this Regulation was reached between the co-legislators. On 31 March 2021, the Permanent Representatives Committee endorsed the final compromise resulting from the trilogues⁸.
8. On 14 April 2021, the IMCO Committee of the European Parliament approved the text. Subsequently, on 16 April 2021 the Chair of the IMCO Committee sent a letter to the Chair of the Permanent Representatives Committee indicating that she would recommend to the Plenary that the Council's position be accepted without amendment, subject to legal-linguistic verification, at Parliament's second reading.

II. OBJECTIVE

9. The proposal is part of the sectoral proposals complementing the package of horizontal proposals on the Multiannual Financial Framework (MFF) for the years 2021 to 2027.
10. The Instrument's objective is to support the customs union and customs authorities to protect the financial and economic interests of the Union and its Member States, to ensure security and safety within the Union and to protect the Union from unfair and illegal trade, while facilitating legitimate business activity.
11. It aims at contributing to adequate and equivalent results of customs controls through the purchase, maintenance and upgrade of customs control equipment.

⁸ Doc. 7266/21.

III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

A. General

12. The European Parliament and the Council conducted negotiations with the aim of concluding a second-reading agreement on the basis of a Council first-reading position that the Parliament could approve as such. The text of the Council's first-reading position fully reflects the compromise reached between the co-legislators.

B. Key issues

13. The main elements of the compromise reached with the European Parliament are outlined below:
- the duration of the Instrument and of the Integrated Border Management Fund from 1 January 2021 to 31 December 2027 has been agreed;
 - the financial envelope for the implementation of the Instrument for the period 2021 – 2027 will amount to EUR 1 006 407 000 in current prices;
 - the objectives of the Instrument have been specified and further elaborated;
 - the actions and the costs eligible for funding have been further developed;
 - the Instrument will be implemented by work programmes adopted by implementing acts;
 - the criteria and modalities concerning the preparation of the work programmes have been further clarified;
 - the reporting requirements have been strengthened;
 - the scope of the interim evaluation has been specified further;
 - a new clause regarding the reporting obligation and extension in respect of the delegation of power has been introduced;
 - the retroactive application of the Regulation has been agreed.

IV. CONCLUSION

14. The Council's position fully reflects the compromise reached in the negotiations between the European Parliament and the Council, facilitated by the Commission. This compromise is confirmed by the letter that the Chair of the IMCO Committee addressed to the Chair of the Permanent Representatives Committee on 16 April 2021.
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