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MEETING DOCUMENT

From: To:	Presidency JHA Counsellors on Financial Instruments
N° Cion doc.:	10154/18
Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing the Internal Security Fund - Compilation of replies

Delegations will find enclosed a compilation of replies to WK 9811/20 on the above proposal.

ANNEX

WRITTEN COMMENTS SUBMITTED BY THE MEMBER STATES

Proposal for a Regulation of the European Parliament and of the Council establishing the Internal Security Fund

WK 9811/20

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BULGARIA

The EUCO 10/20 provided for decrease in ISF funding with 22,76 % and change in proportion between shared management and thematic facility from 60/40 to 70/30 compared to the proposal of the EC. These results in decrease in the shared management allocation amounting to approx. 10 % compared to the proposal of the EC.

During Coreper II meeting of 4 December 2019 Bulgaria shared its position that we could not support such a decrease in the funding for security having in mind that countering organized crime and terrorism is among the main priorities in the EU political agenda. In this regard, we accepted the change in the proportion as a compensation for the decrease of the funding for ISF.

The full mandate proposal of the Presidency of September 2020 confirms the decrease of the amount for the ISF allocation (22,76%) in comparison to the EC proposal as agreed by the EUCO while keeping the initial proportion between shared management and thematic facility at 60/40 as proposed by the EC. This will lead to additional decrease of the allocation for the implementation of NPs compared to the proposal of the EC and Council PGA of June 2019 amounting to 22,76%.

Security threats are becoming more varied and increasingly cross-border in nature, which requires determined, complex and coordinated actions on EU level and by the national competent authorities.

Adequate financial support is needed for increasing the exchange of information between the law enforcement authorities and between them and relevant EU Agencies, strengthening the operational cooperation and enhancing the capacity of the national competent structures.

Establishment and maintenance of new and existing ICT systems and improvement of their interoperability as well as ensuring compatibility of national competent authorities technologies and capabilities will increase the effectiveness of the measures aimed at tackling the common security threats and in particular cross-border crime and terrorism.

Being located at the EU external borders, the Republic of Bulgaria shares the responsibilities for securing the common external borders and tackling security threats.

Therefore during the discussions in the Council Bulgaria has expressed its support for the need of adequate funding for security and border management.

The proposal for further decrease of the amounts for the NP does not correspond to the priorities and objectives in the area of security set out at EU level.

In this regard, we would not accept the proposal as per Article 7 Budget and we would like to request clarification for the deviation from the EUCO 10/20 proposal as regards the proportion between the allocation to the national programmes implemented under shared management and to the thematic facility.

Moreover, the 70/30 proportion for national programmes and thematic facility as proposed in the EUCO 10/20 is maintained in the full mandate proposal of the Presidency for BMVI.

We welcome the introduction of specific provisions in the three proposals relevant to the pre-financing in implementation of EUCO 10/20 No. 70 – Pre-financing. In line with our position for increased levels for pre-financing for the Home affairs funds, we support the suggested pre-financing annual rate at the level of 5 %.

ITALY

Italy supports the Presidency proposed wording on external dimension for all three Funds.

MALTA

There seems to be an error with the reference period to be used for the mid-term review of the ISF Regulation in point 2(c) of Annex I.

Additionally, the breakdown of the financial envelope in Article 7(2) of the ISF Regulation is not in line with the breakdown as agreed in the European Council Conclusions, which was split 70% for shared management and 30% for the thematic facility. The breakdown in the attached text is 60% for shared management and 40% for the thematic facility.

It seems that there is an understanding that fixed amount would be given to Member States in 2021 (as referred to in wk10973/20). However, this is not the case. The fixed amount is part of the initial allocation method, and like the rest of the allocation will be allocated to the Member States over a 7-year period. Although Annex I para (1)(a) states that the Member States will be granted the fixed amounts "at the start of the programming period only", this is only meant to make it clear that the mid-term review allocations will not include any fixed amounts.

Malta is also attaching the financial programming as provided by the Commission to the MFF group. One would have to assume that if the fixed amount was allocated to each Member State in 2021, then the likelihood would be that the amount in 2021 would be larger than the rest. However, in the case of all three funds, the amount programmed for 2021 in constant 2018 prices, is the lowest for the entire period.

It is to be noted that as shown in the table below, when compared to other Member States, in the case of Malta, in particular, the %s of the total initial allocations emanating from the fixed amounts are very large, as most of Malta's fixed amounts for BMVI and AMF are meant to compensate for the anomalies in the formulae:

***Table**: Indicative %s* of the Fixed Amount as a share of the Total Initial Allocation as per DE Presidency Proposal of 24 Sep. 2020*

	EU+ Associated	**Malta**
BMVI	10%	66%
AMF	5%	64%
ISF	18%	35%

* the percentages above are only indicative in view of the unavailability of certain data to be used for the formulae. In such cases, the indicative data as deduced from the Commission's simulations of September 2019 have been used.

It would be inappropriate to allocate such high percentages of the total allocation in one year only. Furthermore, in line with our comments of 27 August 2020, the fixed amount of €25 million at 2018 prices should be translated to 2021-2027 prices and not to 2021 prices, in line with paragraph 3 of the EUCO Conclusions No 10/20 of 17-21 July 2020, stating that "*All figures are expressed using constant 2018 prices. There will be automatic* ***annual technical adjustments for inflation*** *using a fixed deflator of 2%"*. Thus, the €25 million at 2018 prices should amount to not less than €28 million at 2021-2027 prices and not to €26.5 million at 2021 prices. It is also noted that the rationale for translating the normal fixed amount of €7.5 million to €8 million is completely different – the latter was a decision of the Presidency as it stated in the JHA Counsellors meeting of 22 September 2020. Whilst we can accept this Presidency's proposal for the €7.5 million in the spirit of compromise, the translation of the €7.5 million should not affect the pricing translation of the exceptional fixed amount of €25 million, which was agreed by the Heads of State/Government. Otherwise, the fixed amount of €7.5 million should remain at current prices, as was agreed in the Partial General Approach.

ROMANIA

RO can support the Presidency compromise proposal.