

Migration and border management

Heading 4 of the 2021-2027 MFF

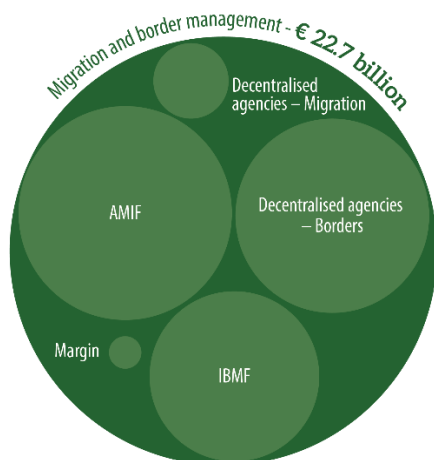
SUMMARY

The Treaty of Lisbon makes explicit reference to pooling financial resources to support common policies on asylum, immigration and external borders. Given the increasing salience of the policy areas in recent years, the European Union (EU) has for the first time established a specific heading devoted to migration and border management in its new multiannual financial framework (MFF).

Endowed with €22.7 billion (2018 prices) for the years 2021 to 2027, the heading finances the activities of specific EU decentralised agencies, such as the European Border and Coast Guard Agency (Frontex) and the European Asylum Support Office (EASO), as well as two funding instruments, likely to be named the Asylum, Migration and Integration Fund (AMIF) and Integrated Border Management Fund (IBMF). The regulations governing the two funds are being finalised by the co-legislators. When designing the proposals for them, the European Commission aimed to improve synergies with other EU funding instruments and increase capacity to react to evolving needs.

Expenditure for these policy areas is still a minor share of the EU budget (2.1 %, excluding the resources from the Next Generation EU recovery instrument), but these allocations represent a significant increase in relative terms, as compared with the 2014-2020 period. The reinforcement seeks to address weaknesses of the previous MFF that the 2015-2016 refugee crisis exposed, obliging EU institutions to use the flexibility provisions of the framework extensively. However, the Commission had proposed larger increases that the European Council cut. In the MFF negotiations with the Council, the European Parliament managed to strengthen the 'border management' policy cluster, which will gradually bring the overall resources of the heading to €23.7 billion by 2027.

This is an update of [briefing](#) published in January 2020.



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Introduction

Since the 1990s, developments such as the removal of internal border controls within the [Schengen area](#) have strengthened the case for increased cooperation between EU Member States in the fields of asylum, migration and external borders. However, experts consider that progress has been slow, with difficulties in reaching agreements, and opt-outs in some cases. In the EU context, asylum, migration and borders are part of the broader area of freedom, security and justice (Title V of the [Treaty on the Functioning of the European Union, TFEU](#)), a domain to which the December 2009 entry into force of the Treaty of Lisbon introduced various changes. Article 67(2) TFEU establishes the EU's competence in establishing a common policy on asylum, immigration and external border control, based on solidarity between Member States and fairness to non-EU nationals. Article 80 TFEU makes explicit reference to pooling financial resources to support these policies, stating that their development and implementation are 'governed by the principle of solidarity and fair sharing of responsibility, including its financial implications, between Member States'.¹

In the EU budget, the internal dimension of asylum, migration and external borders accounts for a minor share of total resources, despite recent increases agreed by the EU institutions and Member States in the wake of the 2015-2016 refugee crisis (see below). In 2016, for the first time, the payment outturns for these policy areas jointly represented more than 1 % of the EU budget.² From a broader perspective, Table 1, below, shows how asylum, migration and external borders, as a significant component of activities in the field of justice and home affairs (JHA),³ have been included in the EU's multiannual financial framework (MFF) since 1993. In both the 2007-2013 and the 2014-2020 MFFs, the European Council cut the resources proposed by the European Commission for the relevant heading more than twice as much as the overall MFF in relative terms.

Asylum, migration and borders in the 2014-2020 MFF

The internal dimension of the policies for asylum, migration and external borders was a major component of the smallest heading in the 2014-2020 MFF ('Security and citizenship' – Heading 3).⁴ In these policy areas, the EU budget traditionally supports different types of measures that can be grouped into three broad categories of expenditure:⁵

- *EU funding programmes* (co-)financing measures in Member States and financing a number of common activities such as emergency assistance. – the [borders and visa instrument](#) of the Internal Security Fund (ISF),⁶ initially amounting to €2.7 billion (down from €3.5 billion in the Commission proposal), is the 2014-2020 tool for external border control. The [Asylum, Migration and Integration Fund \(AMIF\)](#), initially endowed with €3.1 billion over the same period (down from €3.8 billion in the Commission proposal), tackles activities relating to asylum and migration. Member States implement part of the resources under shared management with the Commission, following the adoption of national programmes. The remainder of the allocations is implemented under direct management (e.g. the European Commission for Union actions, which are specific measures of interest and benefit to the entire EU) or indirect management (e.g. EU decentralised agencies in the context of delegation agreements);⁷
- *decentralised EU agencies*, which receive financing for their activities and operations – the [European Border and Coast Guard Agency \(Frontex\)](#), the [European Asylum Support Office \(EASO\)](#), and the [European Agency for the Operational Management of large-scale IT Systems in the Area of Freedom, Security and Justice \(eu-LISA\)](#);
- *IT systems* designed, maintained and updated to facilitate cooperation in the relevant policy areas – major systems developed during previous programming periods include the [Schengen Information System \(SIS II\)](#), the [Visa Information System \(VIS\)](#), and the [European Asylum Dactyloscopy Database \(EURODAC\)](#) to make the identification of asylum-seekers easier. More recent examples are: the [Entry/Exit](#)

[System](#) and the [European Travel Information and Authorisation System \(ETIAS\)](#) that eu-LISA is developing to improve the management of the EU external borders based on [Regulation \(EU\) 2017/2226](#), [Regulation \(EU\) 2018/1240](#) and [Regulation \(EU\) 2018/1241](#).

Table 1 – Justice and Home Affairs (JHA) measures in multiannual financial frameworks (MFFs) since the Treaty of Maastricht

Programming period	1993-1999	2000-2006	2007-2013	2014-2020
Treaty in force at the start of the period	Maastricht	Amsterdam	Nice	Lisbon
Heading containing JHA measures and its share of the agreed MFF	3) Internal policies (6 % of the total)	3) Internal policies (6.8 % of the total)	3) Citizen, freedom, security, justice (1.2 % of the total)	3) Security and citizenship (1.6 % of the total)
Features of the heading in relation to JHA	JHA is a residual element (joint actions decided by the Council) of a broad heading.	JHA is a limited component of a much broader heading.	JHA is a significant part of a policy-specific heading. Two subheadings (border control and asylum under 3a).	JHA is a significant part of a policy-specific heading. Elimination of subheadings.
Cut to the initial Commission proposal for the heading	N/A	N/A	27 %	16.6 %
Cut to the overall MFF proposal	N/A	N/A	13 %	8.2 %
Main intermediary adaptations relevant to the JHA heading	-	Schengen Facility for new Member States introduced with enlargement.	-	Mid-term revision reinforces flexibility provisions and some JHA allocations.

Source: A. D'Alfonso, [External border control and asylum management as EU common goods: A budgetary perspective](#), Robert Schuman Centre for Advanced Studies, European University Institute, 2019.

The policy areas of asylum, migration and borders are an example of differentiated integration. Focusing on the funds, Denmark did not take part in the 2014-2020 AMIF, while Ireland and the UK (then still a Member State) did not take part in the ISF borders and visa instrument, on account of their opt-outs. However, four non-EU countries (Iceland, Liechtenstein, Norway and Switzerland) participated in and contributed to the latter (and to the financing of Frontex), since they are Schengen associated countries.

Heading 3 of the 2014-2020 MFF was confronted with various challenges from the very start of the programming period. The late adoption of the MFF in December 2013 delayed the preparation and the implementation of national programmes. An important share of the resources planned under shared management for 2014, including for the AMIF (€172.7 million) and the ISF (€269.6 million), had to be postponed and reprogrammed for 2015 and subsequent years.⁸

In addition, instability in the EU's neighbourhood resulted in a sharp increase in asylum-seeker arrivals, leading to what has been defined as the 2015-2016 refugee crisis. This put significant pressure on the Schengen system and the [common European asylum system \(CEAS\)](#), which, under

the [Dublin Regulation](#), assigns responsibility for examining asylum requests mainly to asylum-seekers' first EU country of entry. Various analysts argue that the refugee crisis has exposed the asymmetry of both systems, which are deemed to assign disproportionate responsibility to Member States neighbouring non-EU countries, notably those on the EU's southern and eastern borders.⁹

The EU institutions and Member States developed numerous initiatives, including legislative proposals, to address various shortcomings.¹⁰ However, from a budgetary standpoint, the allocations and the margin available under Heading 3 proved largely insufficient to tackle the needs triggered by the refugee crisis and support the additional initiatives. The EU therefore resorted extensively to the MMF's flexibility provisions, which had to be replenished on the occasion of the [mid-term revision](#) of the framework in 2017. It has been estimated that, over the 2015-2018 period, flexibility tools provided for almost half (46 %) the resources that financed reinforced measures for asylum, migration and borders within the EU.¹¹

Additional resources strengthened the initial 2014-2020 appropriations of various instruments, with particularly significant increases for the AMIF (and especially its emergency assistance measures), Frontex and EASO. In the case of Frontex, these decisions reflected and accompanied its [2016 transformation](#) into the European Border and Coast Guard Agency and the reinforcement of its mandate. The [reform](#) of EASO is still being discussed.

Overall, the reinforcements outweighed the cuts made by the European Council in the MFF negotiations. The emergency-driven efforts stepped up the financing of asylum, migration and border-related measures, which nevertheless remain a minor share of the EU budget.¹²

Some assessments of expenditure in recent years

Given the increasing salience of the policy areas, the European Court of Auditors (ECA) has analysed different aspects of EU expenditure for asylum, migration and borders in various documents. Among them, [Special Report 24/2019](#) stated that EU migration management support in Greece and Italy was relevant, but had not reached its full potential. According to the auditors, emergency relocation schemes had only partially achieved their main objective of alleviating pressure on Greece and Italy. Both countries had increased their asylum-processing capacities, but handling times remained long. Across the EU, problems persisted with the return of irregular migrants. Various recommendations were addressed to the Commission, Frontex and EASO, with a view to building on the lessons learnt.

As regards the Schengen IT systems ([Special Report 20/2019](#)), the Court concluded that they were generally well designed and increasingly used by border guards. Identifying some weaknesses, it recommended that the Commission promote further training on the IT systems, improve data quality procedures, reduce delays in data entry, and address shortcomings more quickly.

In an overall report on the future of EU agencies ([Special Report 22/2020](#)), the ECA noted that inter-agency cooperation was particularly close in the area of migration. The annual planning cycle was challenging for Frontex and EASO, on account of the very volatile environment in which they operated. Both agencies had experienced difficulties in recruiting staff, with high vacancy rates. In addition, Frontex and EASO depended heavily on the provision of human (and, for Frontex, technical) resources by Member States. According to the Court, both agencies struggled to obtain these resources, but Frontex was relatively more successful in this domain. EASO and eu-LISA are included in a group of agencies that outsource core tasks, with possible risks of dependence on external contractors for carrying out critical functions.

In the ECA's [2019 audit of EU agencies](#), the level of risk to sound financial management was deemed higher for agencies such as Frontex and EASO, whose operations depended on Member States' cooperation. EASO did not receive a clean opinion on the legality and regularity of the payments underlying its accounts, mainly due to findings reported by the Court since financial year 2016. However, the ECA assessed that, since 2018, EASO had made considerable efforts to improve its internal control systems and had made significant progress in improving its governance processes. In the context of the three latest [discharge procedures](#), Parliament refused to grant EASO discharge

with respect to the implementation of its budget for financial years [2016](#) and [2017](#). Taking account of the progress identified by ECA, discharge was granted by Parliament for financial year [2018](#).

The [Court](#) issued Frontex with a clean opinion on the legality and regularity of its revenue and payment operations. In 2019, Frontex was the third largest traditional EU agency based on the contributions it received. One persistent problem identified by the Court since 2014 concerned the proof of equipment-related costs claimed by cooperating countries, which was often deemed to be insufficient. Attempts to simplify the financial management of expenditure related to the deployment of technical equipment, had proved thus far unsuccessful. At the same time, the ECA stressed that Frontex had implemented a number of ECA recommendations, not least to improve ex-ante verifications. Parliament granted the European Border and Coast Guard Agency discharge in respect of the implementation of its [2016](#), [2017](#) and [2018](#) budgets, making a number of observations and recommendations. In March 2021, Parliament's [Budgetary Control Committee](#) (CONT) recommended postponing the discharge decision on the European Border and Coast Guard Agency for financial year 2019, considering that a series of possible issues (e.g. delays in the process of recruitment of the fundamental rights officer and monitors) required further clarifications. As regards eu-LISA, Parliament granted it discharge for financial years [2016](#), [2017](#) and [2018](#).

Carrying out an initial analysis of the budgetary response to the refugee crisis, the [CEPS think tank](#) has argued that the approach adopted was focused mainly on the search for more flexibility, leading to partial reconfiguration of the funding landscape both within and outside the Union. The paper stressed the risks associated with the proliferation of at least partially extra-budgetary instruments, which mainly concerned external action outside Heading 3, recommending that these tools be kept to a minimum for the sake of transparency and democratic scrutiny. As for AMIF and ISF resources under shared management, the author recommended that the ECA pay special attention to the quality of the Member States' audit and control procedures.

Subsequently, a [2018 study](#) requested by Parliament's Committee on Budgets (BUDG) analysed EU funding for migration, asylum and integration policies, arguing for an increase in financial resources to support Member States and EU agencies, and also for more strategic coordination of various EU initiatives relevant to migration. Recommendations included ways to improve the distribution key that allocates resources to Member States for their national programmes, which various analysts have criticised, in part, for its inability to reflect evolving needs.

Proposals for the 2021-2027 MFF

In the debate on the reform of the EU budget and in the context of the preparations of the proposals for the post-2020 MFF, analysts, policy-makers and stakeholders have regularly included asylum, migration and border management among the policy areas where the contribution of the EU budget should be stepped up. According to the [interinstitutional high-level group](#) tasked with reviewing the EU's financing system, there has been a gradual recognition of external border management as an EU public good and exposure of the limitations of the 2014-2020 MFF in addressing migration-related responsibilities. Along these lines, one recommendation was that the EU budget should increase its focus on policy areas relating to EU public goods and European added value, where joint action at Union level is deemed not only relevant but indispensable.

Initial proposals of May 2018

In May 2018, reflecting the high profile that migration and border policies acquired in the wake of the 2015-2016 refugee crisis, the [European Commission](#) proposed a new and specific 'Migration and border management' heading in the post-2020 MFF. While the new Heading 4 remained one of the smallest in the proposal, overall the policy areas would receive almost 1.5 times more resources than in the current programming period (in constant 2018 prices, i.e. rising from €12.7 billion, including flexibility, to €30.8 billion, including the heading margin).¹³

The new Heading 4 in the 2021-2027 MFF would be organised around two policy clusters, 'migration' and 'border management', focusing respectively on a comprehensive approach to managing migration and on strengthening the management of external borders. Each cluster would finance a specific funding programme and the contribution to relevant EU decentralised agencies (see cover image). Figure 1 shows that reinforcements would be proportionally stronger for activities in the field of border management than for those relating to asylum and migration.

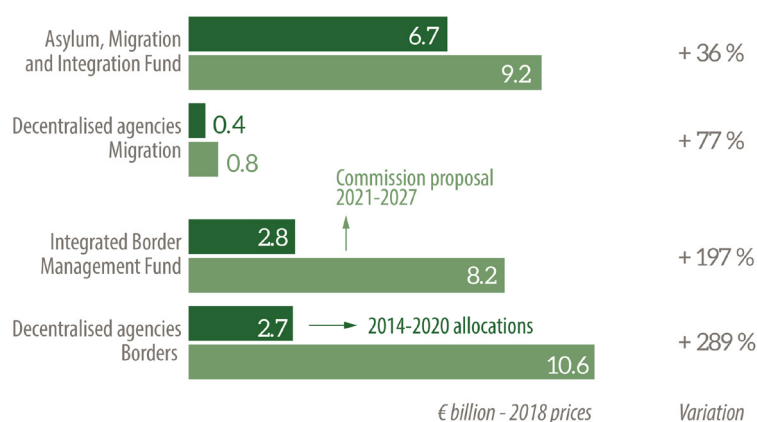
The figures for the relevant EU decentralised agencies factored in the reinforcement of the European Border and Coast Guard Agency and of EASO as agreed or proposed at the time the European Commission put forward the draft MFF.

The [Asylum and Migration Fund \(AMF\)](#)¹⁴ and the Integrated Border Management Fund (IBMF) were new funding programmes, the latter composed of two separate instruments for [border management and visas](#) (86 % of IBMF resources) and for [customs control equipment](#) (14 %). The two funds would build respectively on the 2014-2020 AMIF and the ISF borders and visa instrument,¹⁵ as well as filling gaps in the last MFF for the purchase, maintenance and upgrade of customs control equipment for goods. The IBMF required two separate instruments on account of the different voting rules in the Council stemming from variable geometry in the home affairs area.

As for the proposed scope of the funds, the AMF was to contribute to the efficient management of migration flows, with specific objectives such as strengthening the common European asylum system (CEAS), supporting legal migration to the Member States, countering irregular migration, and ensuring effectiveness of return and readmission in third countries. Only short-term integration measures would remain under the AMF, while other EU funding instruments would tackle longer-term measures (see below). The IBMF borders and visa instrument would on the one hand support effective European integrated border management at the external borders implemented as a shared responsibility of the European Border and Coast Guard Agency and of the national authorities responsible for border management, and on the other contribute to the common visa policy. The IBMF customs control equipment would help the customs union and customs authorities to protect the EU's interests, contributing to appropriate customs control by means of the latest equipment.

Building on various analyses such as the interim evaluations of the 2014-2020 [AMIF](#) and [ISF borders and visa instrument](#), a Commission 2018 [impact assessment \(IA\)](#) illustrated the rationale behind the proposals for the new generation of funding programmes. One of the main challenges identified was simplification, since the administrative burden was still perceived as too high by beneficiaries and managing authorities, despite some progress in the current programming period. According to an [EPRS initial appraisal](#) of the IA, the proposals appeared to be coherent with the preferred options indicated in the IA. However, the IA template had been adjusted to focus 'on those changes and policy choices that the MFF proposal leaves open', which is deemed to have weakened to some extent its potential to inform decision making.

Figure 1 – Components of Heading 4: Commission proposal and 2014-2020 allocations (€ billion, rounded, 2018 prices, EU-27)



Source: EPRS, based on annexes to the [European Parliament resolution on the MFF](#) of 14 November 2018.

As part of the simplification efforts, the resources of the AMF and the IBMF borders and visa instrument under shared management were to share a set of financial rules with other EU funds, such as those for cohesion policy, that are implemented under the same management mode ([proposal for a common provisions regulation](#)). This would help improve their complementarity and enhance their synergies. In the field of migration, for example, while the draft AMF was designed to address short-term needs for the integration of third-country nationals upon arrival, the new generation of cohesion policy funds (in particular, the European Social Fund+ and the European Regional Development Fund) would provide medium- and long-term integration support, facilitating integration into the labour market. In addition, the European Commission sought to increase complementarity with EU external funding instruments, by strengthening the external dimension of the AMF and of the IBMF borders and visa instrument that supported cooperation with and in third countries in the area of migration and border management. Examples of relevant measures to this end include implementation of readmission agreements and secondment of joint liaison officers to third countries.

Other elements in the proposals for the AMF and for the IBMF borders and visa instrument aimed to strengthen their capacity to respond to evolving needs. In this respect, 40 % of the financial envelopes of these instruments would be managed through a thematic facility, designed to increase their flexibility in allocating resources. The thematic facility was meant to support a variety of measures, including: specific actions (shared management), Union actions (direct and indirect management), and emergency assistance, which could be channelled also through national programmes. In the case of the AMF, resettlement and relocation of asylum-seekers would also qualify for support under the thematic facility. A further innovation was that the remaining 60 % of the financial envelopes would be allocated to Member States for their national programmes in two tranches: 50 % at the start of the programming period on the basis of the agreed distribution key; and 10 % in 2024, using the latest statistics available for the distribution key. In addition, national programmes could be reinforced through allocations from the thematic facility where needed. The definition of lists of measures eligible for higher co-financing from the EU budget (90 %) can be seen as a different form of flexibility.

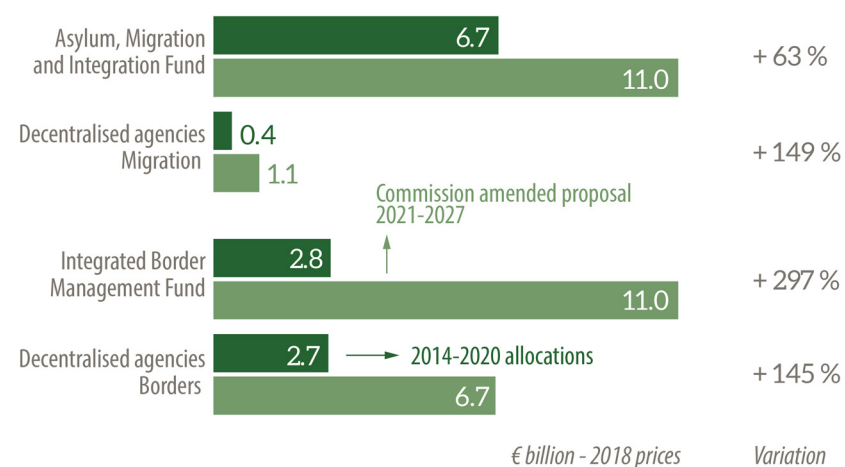
Institutional reactions to the MFF proposals

Under the Lisbon Treaty, a special legislative procedure applies to the adoption of a new MFF Regulation; it requires unanimity in Council following Parliament's consent. In November 2018, the European Parliament stood ready to negotiate the post-2020 MFF with the Council, adopting an [interim report](#) that set out its position and detailed figures per heading and fund. Parliament expressed its intention to endow the 'Migration and border management' heading with sufficient resources, based on the Commission proposal. Parliament wanted the level of funding proposed by the Commission for the AMF and the IBMF to be confirmed, supporting the increases that these amounts would imply as compared with the 2014-2020 programming period. In addition, the text called for a further boost to the resources allocated to decentralised agencies in the areas of migration and border management, taking into account the financial implications of the September 2018 proposals on [EASO](#) and the European Border and Coast Guard that the European Commission had put forward after tabling the draft MFF regulation. Parliament reiterated its long-standing position that additional political priorities should be financed with fresh resources and should not undermine existing programmes through cuts. Following the European elections of 2019, the [new European Parliament](#) confirmed its negotiating mandate, including all the figures.

However, the MFF negotiations proved lengthy and complex in Council, and the initial objective of reaching an agreement before the European elections of May 2019 was not met. The first version of the [MFF draft negotiating box](#) to detail figures for the various headings was published only in December 2019. While the [European Council](#) is not formally part of the legislative procedure for the adoption of the MFF, it has traditionally played a major role in achieving a unanimous agreement between Member States on the MFF. Building on the progress in the negotiations thus far, its

President, Charles Michel, took the negotiations forward, preparing a [new version of the negotiating box](#) that the European Council discussed in February 2020, failing to reach an agreement. Under Michel's proposals, the heading devoted to migration and border management was among those that would be cut more significantly in relative terms as compared with the Commission proposals (-29 %, versus a 3.5 % reduction for the overall framework). Cuts would be unevenly distributed across Heading 4: -5.4 % for the AMF, -33.2 % for the IBMF and -42.8 % for decentralised agencies.

Figure 2 – Components of Heading 4: Amended proposal and 2014-2020 allocations (€ billion, rounded, 2018 prices, EU-27)



Source: EPRS, based on: annexes to the [European Parliament resolution on the MFF](#) of 14 November 2018; and Commission [COM\(2020\) 442](#).

Amended MFF proposals of May 2020

Soon after the European Council meeting of February 2020, the outbreak of the coronavirus pandemic dramatically changed the debate on the future of EU finances, which became intertwined with the idea of launching a common recovery package. In May 2020, the European Commission tabled its proposal for a €750 billion [Next Generation EU](#) (NGEU) recovery instrument that would come on top of the 2021-2027 MFF and thus reinforce the financial resources channelled through the EU budget during the first years of the programming period. At the same time, the Commission amended its initial proposal for the 2021-2027 MFF to take account of the progress in the negotiations thus far, notably the outcome of the European Council of February 2020.

Worth €1.1 trillion, the [amended proposal](#) for the 2021-2027 MFF was 3 % lower than the original one and introduced changes to the distribution of resources between individual headings. While the Commission reduced the allocations initially proposed for many programmes, the AMF and the IBMF were among the few notable exceptions to this trend, with the new text increasing their resources to €11 billion each (respectively, +19.5 % and +33.5 % on the 2018 proposal). The objective was to step up cooperation on external border protection, asylum and migration policies. At the same time, the proposed resources for the decentralised agencies in the area of migration and borders were cut. Overall, the changes increased the proposed allocations for Heading 4 from €30.8 billion to €31.1 billion (+1 %, 2018 prices), while modifying their distribution between the different instruments and the two policy clusters of 'migration' and 'border management' (see Figure 2). Heading 4 would not receive any additional resources from NGEU.

Agreed Heading 4 of the 2021-2027 MFF

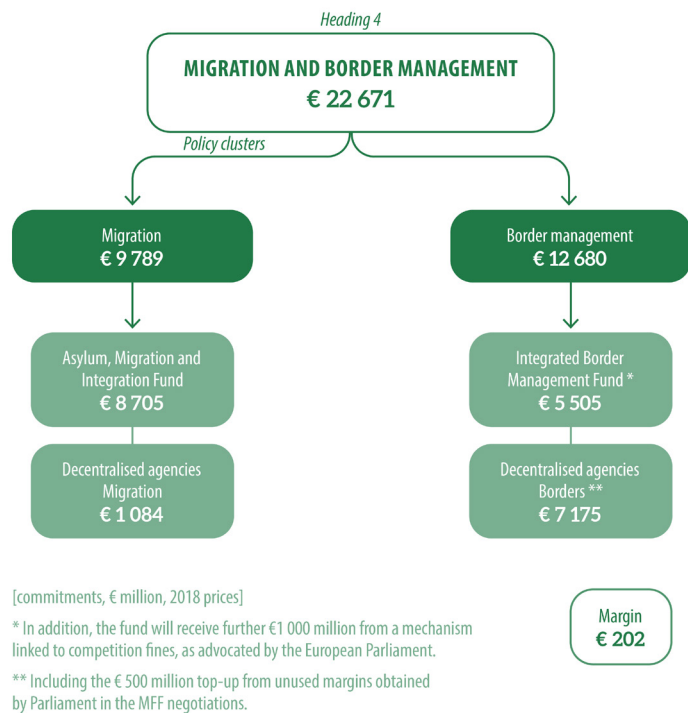
Against the background of the severe socio-economic impact of the pandemic, negotiations on the future of EU finances gained new momentum. In [July 2020](#), the European Council reached [political agreement](#) on a €1 074.3 billion MFF coupled with the €750 billion NGEU instrument (2018 prices). Receiving resources only from the traditional MFF, Heading 4 was allocated €22.67 billion, which accounts for 2.1 % of the 2021-2027 framework. In line with the outcome of negotiations on past MFFs (see introduction), the heading was among those that were cut more significantly in relative terms as compared to the amended Commission proposal (-27.2 % versus -2.3 % for the entire MFF).

The European Council confirmed the allocations that the European Commission had proposed for decentralised agencies in May 2020, while reducing those for the AMF and, even more drastically, the IBMF. In addition, the margin of the heading, intended to tackle unexpected events, was reduced. In July 2020, while welcoming the ground-breaking creation of the NGEU recovery instrument, the [European Parliament](#) criticised various elements of the political agreement on the MFF, such as the cuts to the amounts proposed for a number of policy areas. Parliament included the IBMF in a list of flagship programmes that should receive additional funding (together with related EU agencies).

In the subsequent negotiations with the Council, Parliament managed to obtain an additional €1 billion for the IBMF through a new mechanism linked to revenue from competition fines that is now included in the [MFF Regulation](#) (Article 5 and Annex II). In practice, during the years 2022-2027, the IBMF will benefit from programme-specific adjustments and the overall resources of Heading 4 will correspondingly and gradually increase from €22.67 billion to €23.67 billion.¹⁶ In addition, Parliament secured a €0.5 billion reinforcement for the European Border and Coast Guard Agency that will be financed from unallocated margins. Figure 3 provides an overview of the agreed structure of the heading.

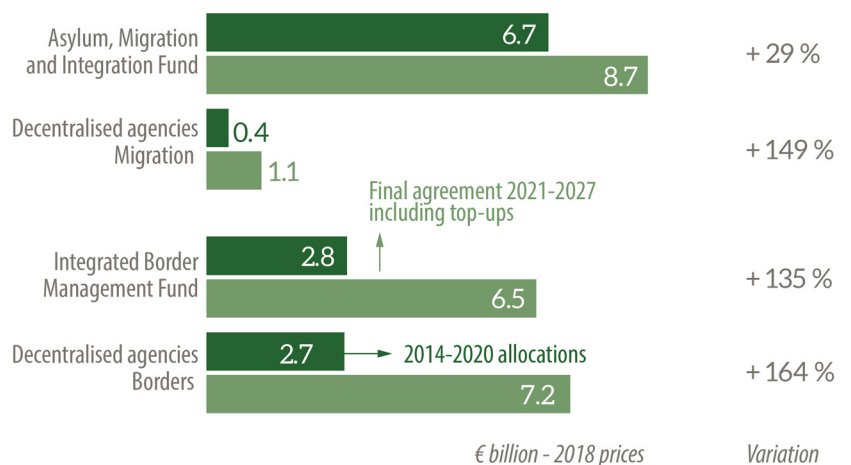
When compared with the 2014-2020 period, the policy areas of migration and border management get higher allocations, although less than in the Commission proposals. Parliament managed to reverse part of the cuts that the European Council had operated in the 'border management' policy cluster. Figure 4 shows how the increases are distributed among the different components of the heading. The

Figure 3 – Structure of Heading 4 in the 2021-2027 MFF



Source: EPRS, based on Commission's [MFF in figures](#).

Figure 4 – Components of Heading 4: Final agreement, including top-ups, and 2014-2020 allocations (€ billion, rounded, 2018 prices, EU-27)



Source: EPRS, based on: annexes to the [European Parliament resolution on the MFF](#) of 14 November 2018; and the Commission's [MFF in figures](#).

annex details how the size and the composition of the heading evolved during the negotiations, from the initial proposals to the final agreement, including the top-ups secured by Parliament.

Stakeholder views¹⁷

Commenting on the initial Commission proposals for the MFF, the [Bruegel think-tank](#) mentioned higher allocations for policy areas that provide European public goods, such as migration and border management, among the positive aspects of the package. Likewise, [Professor Iain Begg](#) saw the significant increase in the resources for borders and migration as among the most striking elements of the proposals, but noted that, nevertheless, proposed funding remained moderate in scale, given its low starting point. Analysing the outcome of the MFF negotiations, [Professor Iris Goldner Lang](#) concluded that the 2021-2027 allocations agreed for these policy areas represented a step in the right direction, but questioned whether they were commensurate with the needs stemming from the [new pact on migration and asylum](#) and the related package of legislative proposals tabled by the Commission in September 2020, arguing that the financial implications of the new pact were among the reasons for its uncertain prospects.

Instruments financed by Heading 4

When it comes to the regulations establishing the provisions applicable to the funds and the decentralised agencies in the areas of migration and border management, the European Parliament and the Council are on an equal footing in the negotiations under the ordinary legislative procedure. Both institutions began examining the proposals relating and relevant to the MFF immediately. In 2019, an agreement was reached on further reinforcement of the European Border and Coast Guard Agency with the adoption of [Regulation \(EU\) 2019/1896](#). This will gradually increase the number of the agency's operational staff, with a view to reaching a standing corps of 10 000 EU border guards in 2027. An [amended proposal](#) on EASO reform is still being examined.

Asylum, Migration and Integration Fund

Parliament adopted its [first-reading position](#) on the AMF in March 2019. On the basis of a report from the Committee on Civil Liberties, Justice and Home Affairs (LIBE), the resolution introduced various changes to the Commission proposal, including a modified name (Asylum, Migration and Integration Fund), the introduction of a solidarity objective and minimum percentages for the objectives of solidarity, the CEAS and legal migration/integration. It recommended increased involvement of regional and local authorities. The rapporteur for the report (Miriam Dalli, S&D, Malta) was of the opinion that the fund should help to address the various challenges relating to migration and asylum, but stressed that it must not be the primary source of funding for actions in or in relation to third countries. Following the European elections, on 24 September 2019 Parliament adopted a decision to open interinstitutional negotiations. A new rapporteur (Tanja Fajon, S&D, Slovenia) was appointed for the file because Ms Dalli left the European Parliament.

Interinstitutional negotiations started on 9 October 2019. The Council worked on the basis of a [partial mandate](#) adopted on 7 June 2019, which excluded a number of provisions owing to their link to the overall MFF discussions, their horizontal nature, or to the pending legislative proposals relating to the common European asylum system. According to the Council's partial mandate, a substantial number of Member States indicated that the external dimension of migration should be funded by the thematic facility of the AMF. Following the political guidance received by the European Council in its conclusions of 21 July 2020, the Council endorsed a [general approach](#) on the entire proposal on 12 October 2020. On this basis, negotiations could also advance on the provisions that the Council had initially excluded from the discussions. On 9 December 2020, Parliament and Council negotiators reached a provisional agreement on the key political issues, which was subsequently finalised through further technical discussion.

In March 2021, the Council published the text of the [final compromise agreement](#), to be confirmed by the co-legislators in order for the regulation to be adopted and enter into force. According to the text, the instrument would be named Asylum, Migration and Integration Fund (AMIF) like its 2014-2020 predecessor (and not AMF as in the Commission proposal). Expressed in current prices, its resources total €9 882 million (€8 705 million in 2018 prices, see above). As compared with the initial proposal of May 2018, the cuts operated by the European Council would leave untouched the resources for national programmes under shared management and reduce only those of the thematic facility. This would modify the distribution of allocations between the two components: 63 % for national programmes and 37 % for the thematic facility (versus 60 % and 40 % in the initial proposal). Part of the financial envelope for national programmes would be allocated in 2024, based on the latest statistical data. The compromise includes various changes to the original text, including, as advocated by Parliament, provisions to reinforce implementation of the principle of solidarity and fair sharing of responsibility. For example, at least 20 % of the resources from the initial allocation to the thematic facility would be earmarked for the objective of enhancing 'solidarity and fair sharing of responsibility between the Member States, in particular towards those most affected by migration and asylum challenges, including through practical cooperation'. Noting that, owing to the internal nature of the fund, the thematic facility should primarily support activities serving internal EU policies, other modifications detail the provisions applicable to activities in and in relation to third countries, for which the Commission, the Member States and the European External Action Service would be required to ensure coordination with relevant EU policies, strategies and instruments. Parliament managed to secure extended monitoring and reporting obligations for the Commission as well as more transparency for Member States' programmes.

Integrated Border Management Fund

Within Parliament, the LIBE committee is in charge of the border management and visa instrument (rapporteur Tanja Fajon, S&D, Slovenia) and the Committee on the Internal Market and Consumer Protection (IMCO) is responsible for the instrument dealing with customs control equipment (rapporteur: Jiří Pospíšil, EPP, Czechia). In 2019, Parliament adopted its first reading positions for the two strands (in March for [border management and visas](#) and in April for [customs control equipment](#)). Proposed amendments include:

- for the instrument for borders and visas, an increase in the maximum co-financing rate for less well-off Member States, modifications in the provisions relating to emergency assistance, and a greater focus on the evaluation of implementation;
- for the customs control equipment instrument, the fine-tuning of the list of actions that can receive financial support, reinforced monitoring and reporting requirements, and the inclusion of the European Border and Coast Guard Agency in the coordination mechanism to be activated for actions involving the purchase or upgrade of equipment.

In September and October 2019 respectively, the LIBE and the IMCO committees agreed to open interinstitutional negotiations with Council. For both strands, the Council initially worked on the basis of the partial mandates of December 2018 for the [customs control equipment instrument](#) and of June 2019 for the [border management and visa instrument](#). Following the political agreement on the 2021-2027 MFF, Council endorsed full mandates for the negotiations on the two strands, in October 2020 ([border management and visa](#)) and December 2020 ([customs control equipment](#)). These developments also allowed negotiations to advance on elements – horizontal and linked to the broader MFF negotiations – that the Council had initially excluded from the discussion.

Negotiators secured a provisional agreement on the border management instrument regulation on 10 December 2020. Following technical work, the [final compromise text](#) was endorsed by the Permanent Representatives Committee on 24 February 2021 and by LIBE on 1 March 2021. After legal-linguistic revision of the text, the next step is an early second reading agreement if both institutions approve. Negotiators reached a provisional agreement on the customs control

equipment instrument on 16 March 2021. The [final compromise text](#) should lead to an early second-reading agreement if Parliament and Council both approve it.

Based on the compromise texts, the resources of the IBMF would amount to €6 247.4 million in current prices (€5 505 million in 2018 prices, see above). On top of this amount, the border management and visa strand will receive the €1 000 million increase (2018 prices) that Parliament secured in the MFF negotiations with the Council. The allocations would be distributed as follows:

- €5 241 million (in current prices) for the instrument for borders and visas. Of this amount, 70 % would go to programmes implemented under shared management, while the remaining 30 % would be allocated to the thematic facility. The change in the distribution between the two components as compared to the initial Commission proposal (60 % and 40 %), would however be offset by the fact that the additional €1 000 million (or €1 141 million in current prices) would be allocated exclusively to the thematic facility. Part of the financial envelope for national programmes would be allocated in 2024, based on the latest statistical data;
- €1 006.4 million (in current prices) for the instrument for customs control equipment.

Opinion of advisory committees

On 9 October 2018, reasserting the need for a comprehensive European asylum and migration policy based on the principle of solidarity and fair sharing of responsibility, the [European Committee of the Regions \(CoR\)](#) welcomed the proposed reinforcement of the AMF and called for it to be even stronger. The CoR recommended modifying the distribution key of resources among Member States and ensuring that financial resources are accessible to local and regional authorities, underlining the crucial role of the latter in the integration of migrants. On 17 October 2018, the [European Economic and Social Committee \(EESC\)](#) welcomed the AMF and the IBMF, the proposed increases in their financial resources, and the importance given to flexibility in both funds. Considering that the AMF and the IBMF should help a comprehensive European migration and asylum policy to move forward, the EESC regretted the absence of any mention of regular migration channels to the EU, and qualified the removal of the word integration from the name of the AMF as worrying. It called for the application of the principle of solidarity to be enhanced.

Relevant activities under different MFF headings

Other 2021-2027 MFF headings may also fund activities relevant to migration and borders, notably Headings 2 'Cohesion, resilience and values' and 6 'Neighbourhood and the world'. The compromise text on the Asylum, Migration and Integration Fund stresses the need for activities financed by the AMIF to be consistent with and complementary to activities financed under other EU funding instruments, in particular external instruments, the European Social Fund Plus (ESF+) and the European Regional Development Fund (ERDF). As is the case for the AMIF, the compromise text on the borders and visa strand of the IBMF notes the internal nature of the instrument and details the provisions applicable to activities financed by its thematic facility in and in relation to third countries, including implementation in full synergy and coherence with activities financed by external funding instruments. Under Heading 6, the Neighbourhood, Development and International Cooperation Instrument (NDICI), the largest external action instrument (€70.8 billion plus a €1 billion top-up secured by Parliament, 2018 prices), is [expected](#) to devote 10 % of its financial envelope to migration-related purposes. According to the [July 2020 European Council conclusions](#), components of Heading 5 'Security and defence' should also be used for external migration issues.

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D'Alfonso A., [External border control and asylum management as EU common goods: A budgetary perspective](#), Robert Schuman Centre for Advanced Studies, European University Institute, 2019.

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[EU funds for migration, asylum and integration policies](#), Directorate-General for Internal Policies of the Union, European Parliament, 2018.

ENDNOTES

- ¹ A. D'Alfonso, [EU Funds for asylum, migration and borders](#), EPRS, European Parliament, 2014.
- ² A. D'Alfonso, [External border control and asylum management as EU common goods: A budgetary perspective](#), Robert Schuman Centre for Advanced Studies, European University Institute, 2019.
- ³ Justice and Home Affairs (JHA) is one of the configurations under which the Council adopts legislation, in most cases on an equal footing with Parliament. In addition to asylum, migration and borders, the JHA Council deals with judicial cooperation in civil and criminal matters, civil protection, the fight against serious and organised crime and terrorism, and internal security.
- ⁴ Although programmes under various headings can finance measures to some extent relevant to asylum, migration and borders, the data released by the Commission do not allow the amount of resources involved to be identified.
- ⁵ In addition, the EU budget can finance pilot projects and preparatory actions that can result in the development of new funding programmes or the incorporation of new categories of measures in the existing funds.
- ⁶ The other strand is the ISF Police, whose objectives include: supporting national efforts to prevent cross-border crime; promoting cooperation between law-enforcement authorities; and increasing the capacity to manage security threats.
- ⁷ For more detail on the two funds, please see: A. D'Alfonso, [Asylum, Migration and Integration Fund \(AMIF\)](#), EPRS, European Parliament, 2015; and A. D'Alfonso, [Internal Security Fund \(ISF\)](#), EPRS, European Parliament, 2016.
- ⁸ S. Jędrzejewska, [Revision of the Multiannual Financial Framework \(Article 19, MFF Regulation\)](#), EPRS, European Parliament, 2015.
- ⁹ M. De Somer, [Dublin and Schengen: A tale of two cities](#), European Policy Centre, Discussion Paper, 15 June 2018.
- ¹⁰ For an overview, see: N. Atanassov and A. Radjenovic, [EU asylum, borders and external cooperation on migration: Recent developments](#), EPRS, European Parliament, September 2018.
- ¹¹ A. D'Alfonso, [op. cit.](#), European University Institute, 2019.
- ¹² In addition, the response to the 2015-2016 refugee crisis included various measures relating to the external dimension of asylum, migration and borders. A different heading (4, Global Europe) provided the main source of financing for additional measures, which had to utilise flexibility tools as well as instruments at least partially outside the EU budget.
- ¹³ Both figures apply to the EU-27, taking into account the UK's withdrawal from the EU.
- ¹⁴ The fund is likely to be named Asylum, Migration and Integration Fund (AMIF) like its predecessor (see below).
- ¹⁵ The new Internal Security Fund would be based on the current ISF Police, under a different 2021-2027 MFF heading.
- ¹⁶ Other MFF headings will also benefit from this mechanism, whose additional resources total €11 billion (2018 prices).
- ¹⁷ This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposals and the outcome of the negotiations.

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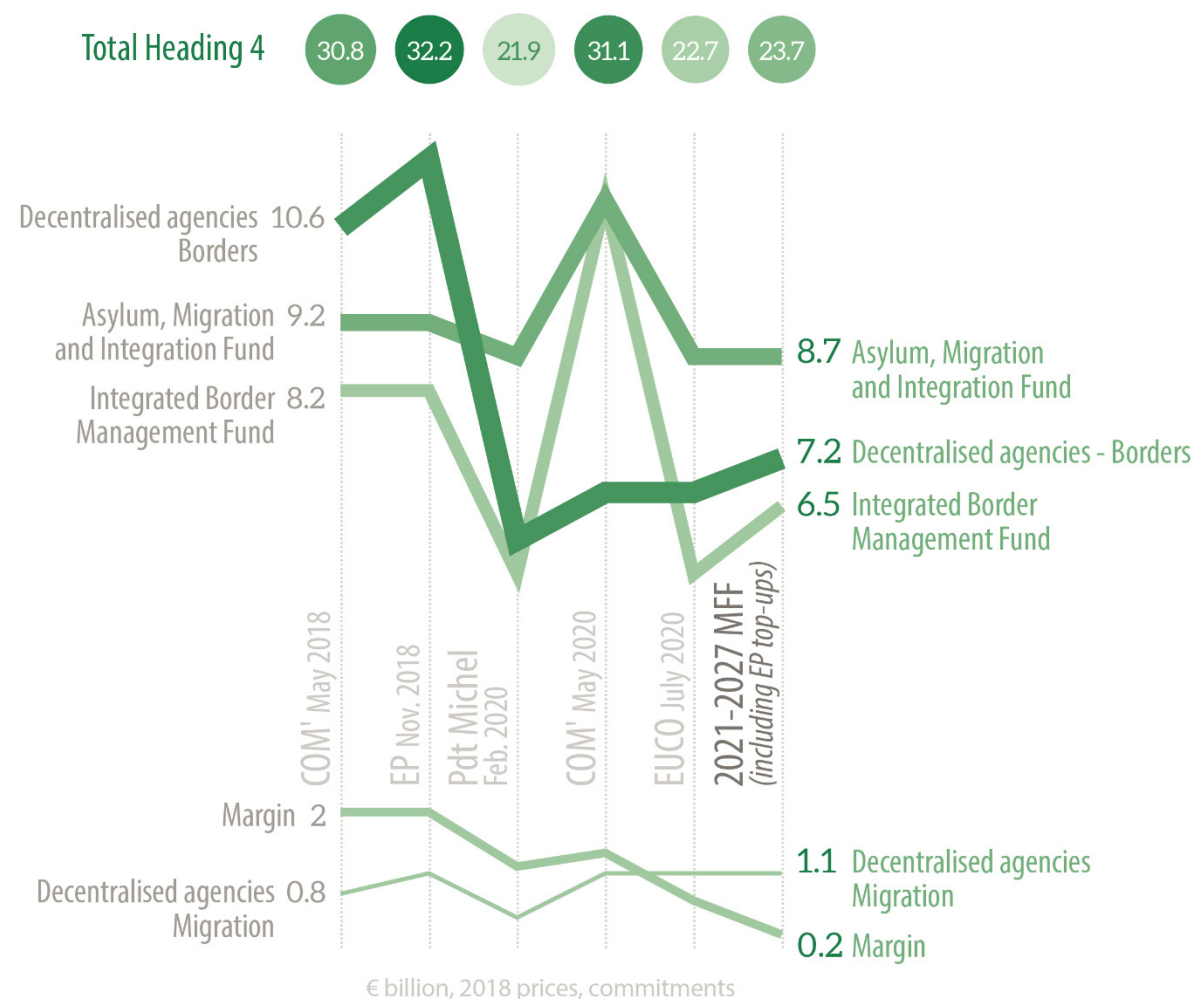
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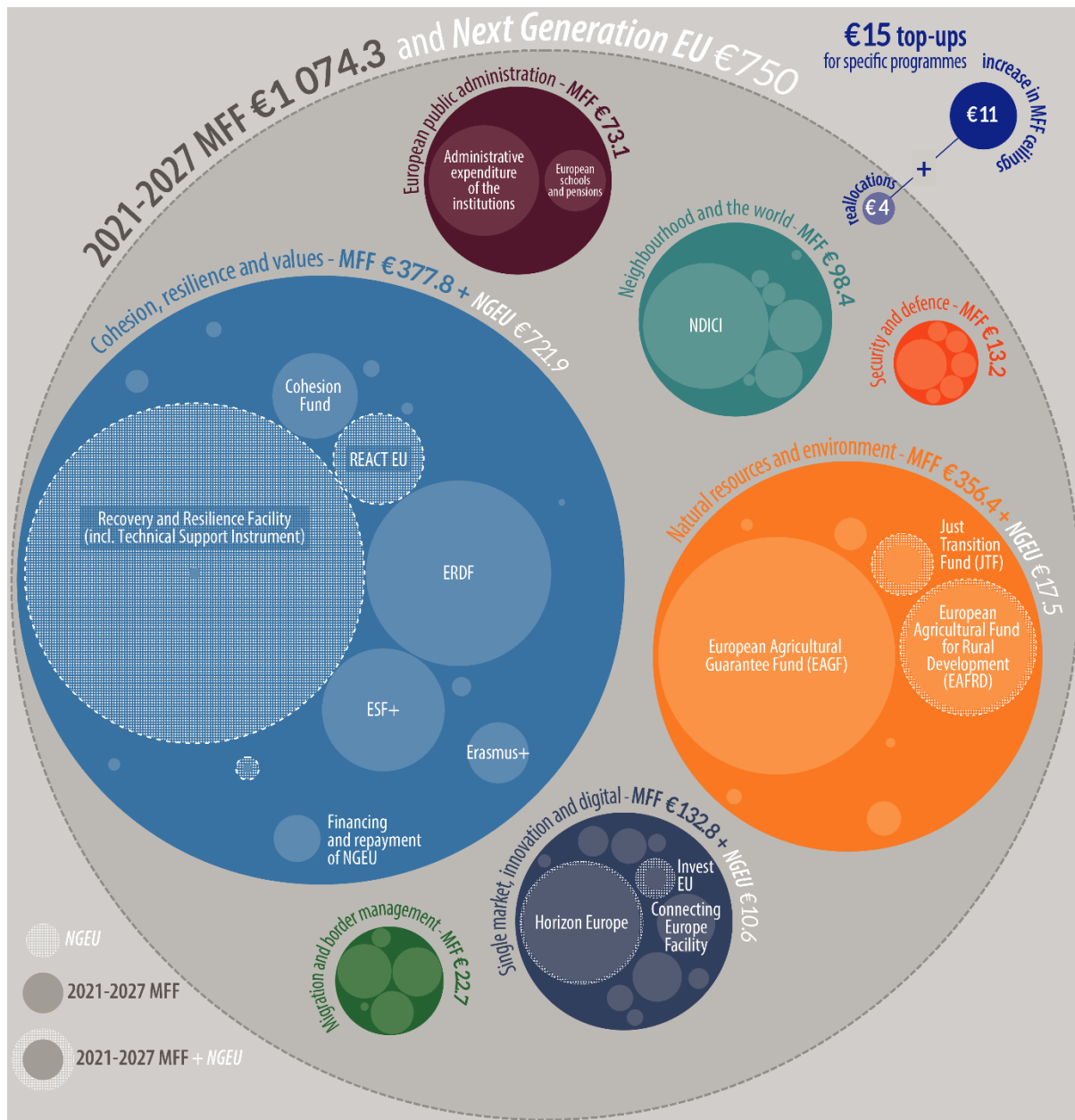
Annex

Figure 1 – Evolution in the size and composition of Heading 4 during negotiations



Source: EPRS, based on annexes to the [European Parliament resolution on the MFF](#) of 14 November 2018, Parliament's Committee on Budgets (BUDG) [preliminary analysis](#) of Council President Charles Michel's proposal of February 2020 and the Commission's [MFF in figures](#).

Figure 2 – 2021-2027 MFF and Next Generation EU (€ billion, 2018 prices) overview



Source EPRS, 2021.