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Committee on Budgets

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OPINION

of the Committee on Budgets

for the Committee on Civil Liberties, Justice and Home Affairs

on the proposal for a Council decision on establishing the European Fund for the Integration of third-country nationals for the period 2007-2013 as part of the General programme "Solidarity and Management of Migration Flows" (COM(2005)0123 – C6-0238/2005 – 2005/0048(CNS))

Draftsman: Louis Grech

PA_Leg

SHORT JUSTIFICATION

Commission's and Parliament's proposals¹ for the new Heading 3 on Citizenship, Freedom, Security and Justice in the next financial framework of the Union (2007-2013) have been significantly cut by the European Councils agreement of 15 / 16 December 2005 (by 51 per cent) .

COMMISSION PROPOSAL

This proposal is one of the four draft decisions which comprise the framework programme "Solidarity and Management of Migration Flows"² presented by the Commission on April 2005 and proposed for a period from January 2007 to December 2013 with a global allocation of EUR 5.866 million in commitment appropriations. Four Funds are set up as part of the framework programme: The Integration Fund, the External Border Fund, the European Refugee Fund and the Return Fund.

The present proposal for a fund for the integration of third-country nationals is mainly focused on the admission, social, civic and cultural integration of third-country national's in order to enable them to settle and take actively part in all aspects of European societies.

The priorities of the Fund are:

- Facilitation of the organization and implementation of admission procedures for migrants;
- Contribution to the organisation and implementation of introduction programmes and activities for third-country nationals;
- Increase of civic, cultural and political participation of third-country nationals in the host society;
- Strengthening of the capacity of Member States' public and private service providers to interact with third-country nationals and their organizations and to answer in a better way the needs of different groups of third-country nationals;
- Strengthening of the ability of the host society to adjust to increasing diversity by targeting integration actions at the host population;
- Increase of the capacity of Member States to develop, monitor and evaluate integration policies.

At the Commission's initiative, up to 7% of the Fund's available resources may be used to finance trans-national actions or actions of interest to the Community as a whole concerning integration policy. These actions will support the exchange of experiences, cooperation and best practices between Member States.

According to the Commission proposal Member States will be allocated a fixed amount each year (EUR 300 000). This amount will be higher for the states which acceded to the European

¹ resolution of 8 June 2005: "Policy Challenges and Budgetary Means of the Enlarged Union 2007-2013, P6_TA(2005)0224.

² COM(2005)0123.

Union on 1 May 2004 and for Member States which accede to the European Union in the period 2007 – 2013 (EUR 500 000).

The allocations to the Member States will be determined on the basis of a distribution key defining the relative share of Member States in relation to third-country nationals legally staying within the EU. The available annual resources would be broken down as follows:

- 40 % in proportion to the average of the total number of third-country nationals legally residing in the Member State over the previous three years;
- 60 % in proportion to the number of third-country nationals who have obtained an authorisation to stay legally on the territory of the Member States in the previous three years (newcomers).

The financial allocation for the Fund for the period 2007-2013 is EUR 1.771 million which breaks down as follows:

	2007	2008	2009	2010	2011	2012	2013	2014...	TOTAL
Operational Expenditure									
C.A.	95	126	205	265	305	360	400		1.756
P.A.	47,5	110,5	165,5	235	285	332,5	380	200	1.756
Administrative Expenditure	1,1	1,75	1,7	2,15	2,55	2,85	2,9		15
C.A. + Administrative Expenditure	96,1	127,75	206,7	267,15	307,55	362,85	402,9		1.771

RAPPORTEUR'S PROPOSALS

The Commission's proposal can be welcomed, since it means a more structured policy development in the field of integration as initiated by the pilot projects on integration of third-country nationals existing since 2001 and limited by the reduced margin available under Heading 3 of the current financial perspective. The Commission proposal also avoids the risk of overlapping with the integration measures covered by the European Social Fund.

The proposal nonetheless prompts a number of comments:

1. No appropriations are presently indicated in the proposal for a decision. Being in consultation procedure, the Council could at any time depart from the proposal. Therefore it has to be reminded that any appropriations are purely for guidance until an agreement is reached on the financial perspective for the period 2007 and the following years. Regarding this particular point two amendments are tabled to the draft legislative resolution.
2. Any change of the rules concerning shared management pursuant to Article 53(3) of the Financial Regulation should be dealt with horizontally within the framework of the current

review of the Financial Regulation. Thus one amendment to the draft resolution is proposed.

3. Given that the present decision is subject to a consultation procedure, it will not contain an amount deemed necessary according to the Interinstitutional Agreement of 6 May 1999 on the budgetary discipline and improvement of the budgetary procedure. Thus an amendment to recital 31 is proposed.
4. The provisions of the Financial Regulation and its implementing rules are extensive and sufficient to deal with the management of all Community funds. Exceptions to the rules of the Financial Regulation should be reduced to the minimum and in principle dealt with within the text of the Financial Regulation itself. Thus five amendments are tabled to Articles 34, 38, 39, 40 and 44.
5. In order to assure coherence and simplification, a common article on implementing measures for the fund to be discussed within the advisory committee is proposed. This article includes the annual work programme, the guidelines and the proposals for project selection among other measures to be adopted within the aforementioned committee in order to assure transparency. An amendment is thus proposed to create a new Article 21 a.
6. In order to assure an efficient comitology procedure, the Committee on Budget's traditional approach of advocating the use of the advisory procedure should be followed. Thus an amendment to Article 51 is proposed.
7. It is important to ensure democratic scrutiny by means of suitable arrangements for fund monitoring and evaluation. Several amendments have been tabled in this respect to Articles 48, 49 and 50.

AMENDMENTS

The Committee on Budgets calls on the Committee on Civil Liberties, Justice and Home Affairs, as the committee responsible, to incorporate the following amendments in its report:

Draft legislative resolution

Amendment 1 Paragraph 1 a (new)

- 1a. Calls for initiation of the conciliation procedure under the Joint Declaration of 4 March 1975 if the Council intends to depart from the text approved by Parliament; Specifies that should a reference on the appropriations be included in the proposal for a decision will be purely for guidance until agreement is reached on the financial perspective for the period 2007 and the following years;***

Amendment 2
Paragraph 1 b (new)

- 1b. Calls on the Commission to confirm, once the next financial perspective has been adopted, the amounts indicated in the proposal for a decision or, should the case arise, to submit the adjusted financial statement to the European Parliament and the Council, thereby ensuring their compatibility with the ceilings;**

Amendment 3
Paragraph 1 c (new)

- 1c. Reminds that any change of the rules concerning shared management pursuant to Article 53(3) of the Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ("Financial Regulation") should be dealt with horizontally within the framework of the current review of the Financial Regulation.**

Justification

The provisions of the Financial Regulation and its implementing rules concerning shared management are extensive and sufficient to deal with the management of all Community funds. Exceptions to the rules of the Financial regulation should be reduced to the minimum and in principle dealt with within the text of the Financial Regulation itself.

Proposal for a decision

Text proposed by the Commission¹

Amendments by Parliament

Amendment 4
Recital 31

(31) This Decision establishes a financial framework for the entire duration of the programme, ***which is to be the principal point of reference*** for the budgetary authority within the meaning of point 33 of the interinstitutional agreement of 6 May 1999 between the European Parliament, the Council and the Commission on the budgetary discipline and improvement of the

(31) This Decision establishes a financial framework for the entire duration of the programme, ***which illustrates the will of the legislative authority and will not affect the powers of the budgetary authority as defined by the Treaty*** within the meaning of point 34 of the interinstitutional agreement of 6 May 1999 between the European Parliament, the Council and the Commission on the

¹ OJ C, p.

budgetary procedure.

budgetary discipline and improvement of the budgetary procedure.

Justification

The present decision is not subject to the co-decision procedure, therefore, according to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on the budgetary discipline and improvement of the budgetary procedure, will not contain an amount deemed necessary.

Amendment 5
Article 15 a (new)

Article 15a

The provisions of the Financial Regulation shall apply. If the Commission intends to depart from those provisions for any specific needs of the fund, it shall explicitly and separately inform the European Parliament committee responsible for budgetary matters of this fact.

Justification

Transparency in respect of the application of the provisions of the Financial Regulation. This amendment should be seen together with am. 3 on Article 53, par. -1 new allowing for a mid-term review

Amendment 6
Article 21 a (new)

Article 21a

Implementing measures

The measures necessary for the implementation of the programme relating to the following matters shall be adopted by the Commission in accordance with the advisory procedure referred to in Article 51:

(a) the annual work programme;

(b) the annual budget and distribution of funds between the various actions of the

European Integration Fund;

(c) the general guidelines for implementing the European Integration Fund and the selection criteria procedures;

(d) the distribution of funds among the actions to be managed through the corresponding national authorities;

(e) the arrangements for monitoring and evaluating the actions and for the dissemination and transfer of results;

(f) the proposals for project selection.

Justification

In order to make the legislative act clearer an article on the implementing measures is needed.

The traditional approach of the Committee on Budgets is the advisory procedure in order to assure efficient and speedy procedures.

The annual work plan, the annual budget and distribution of funds among actions, the general guidelines and the proposals for project selection may be submitted to the Committee for transparency reasons.

Amendment 7

Article 29, paragraph 1, letter (b)

(b) ensure that audits are carried out on actions on the basis of an appropriate sample to verify expenditure declared; the sample shall represent at least **10%** of the total eligible expenditure for each annual programme;

(b) ensure that audits are carried out on actions on the basis of an appropriate sample to verify expenditure declared; the sample shall represent at least **20%** of the total eligible expenditure for each annual programme;

Justification

In its 2003 and 2004 Annual Reports the European Court of Auditors identified shortcomings in the control systems employed in connection with the European Refugee Fund. With a view to remedying such shortcomings in the future, Member States should ensure that measures are administered in a manner consistent with current Community rules by carrying out checks on at least 20% of the total eligible expenditure. This is also in keeping with the recommendation made by the European Court of Auditors.

Amendment 8
Article 48, paragraph 1, subparagraph 1 a (new)

The Commission shall ensure that the actions covered by this Decision are subject to prior evaluation, monitoring and ex-post evaluation. It shall ensure that the programme is accessible and is implemented in a transparent manner.

Justification

The programme needs to be monitored and evaluated at the appropriate times, so as to ensure democratic scrutiny.

Amendment 9
Article 48, paragraph 3 a (new)

3a. The Commission shall give the European Parliament and the Council regular and timely notice of the implementation of the programme, in particular the use of the available resources

Justification

The two arms of the budgetary authority should receive regular and timely information in order to ensure that the programme is monitored and assessed in an effective manner

Amendment 10
Article 49 paragraph 4

4. The Commission shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:

(a) ***no later than 30 June 2010***, a report on the application of the criteria set out in Article 15 for the annual breakdown of resources between member States; together

4. The Commission shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions:

(a) a ***detailed*** report on the application of the criteria set out in Article 15 for the annual breakdown of resources between member States; together with proposals for

with proposals for amendments if deemed necessary ;

(b) **no later than 31 December 2010, an** intermediate report on the results achieved and on qualitative and quantitative aspects of implementation of the Fund, together with a proposal on the Fund's future development;

(c) no later than 31 December 2012 (for the period 2008-2010) and 31 December 2015 (for the period 2011-2013) respectively, an ex post evaluation report

amendments if deemed necessary, **three years after the adoption of this Decision;**

(b) **a detailed** intermediate report on the results achieved and on qualitative and quantitative aspects of implementation of the Fund, **having regard to its objectives,** together with a proposal on the Fund's future development, **three years after the adoption of this Decision. Moreover the Commission shall present annually a short report monitoring the situation of the implementation of the European Integration Fund;**

(c) no later than 31 December 2012 (for the period 2008-2010) and 31 December 2015 (for the period 2011-2013) respectively, an ex post evaluation report **covering the implementation and results of the programme, on completion of its implementation.**

Justification

The fund needs to be monitored and evaluated at the appropriate times, so as to ensure democratic scrutiny

Amendment 11 Article 51

1. The Commission shall be assisted by the common Committee "Solidarity and Management of Migration Flows", **established by the Decision establishing the External Borders Fund** for the period 2007-2013 as part of the General programme 'Solidarity and Management of Migration Flows' ../... ("the "committee").

2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

3. The Committee shall adopt its Rules of Procedure

1. The Commission shall be assisted by the common Committee "Solidarity and Management of Migration Flows" for the period 2007-2013 as part of the General programme 'Solidarity and Management of Migration Flows' ../... ("the "committee").

2. Where reference is made to this paragraph, Articles 3 and 7 of Decision 1999/468/EC shall apply

Justification

The advisory procedure is the Committee on Budgets' standard approach to ensuring that procedures are effective.

Amendment 12

Article 52

1. The Commission may submit this Decision for a mid-term review by the end of 2010 in order to improve implementation of the Fund.

The Council shall review this Decision on the basis of a proposal from the Commission by 30 June 2013 at the latest.

2. The European Parliament and the Council shall review this Decision on the basis of a proposal from the Commission by 30 June 2013 at the latest.

Justification

Providing for some flexibility and improvement of the implementation of the Fund.

PROCEDURE

Title	Proposal for a decision on establishing the European Fund for the Integration of third-country nationals for the period 2007-2013 as part of the General programme "Solidarity and Management of Migration Flows"
References	COM(2005)0123 – C6-0238/2005 – 2005/0048(CNS)
Committee responsible	LIBE
Opinion by Date announced in plenary	BUDG 6.09.2005
Enhanced cooperation – date announced in plenary	0.0.0000
Drafts(wo)man Date appointed	Louis Grech 09.06.2005
Previous drafts(wo)man	
Discussed in committee	1.12.2005 23.3.2006
Date adopted	23.03.2006
Result of final vote	+: 26 -: 0:
Members present for the final vote	Richard James Ashworth, Reimer Böge, Simon Busuttil, Gérard Deprez, Valdis Dombrovskis, Hynek Fajmon, Neena Gill, Ingeborg Gräßle, Louis Grech, Catherine Guy-Quint, Jutta D. Haug, Ville Itälä, Anne E. Jensen, Wiesław Stefan Kuc, Janusz Lewandowski, Mario Mauro, Jan Mulder, Giovanni Pittella, Antonis Samaras, Nina Škottová, László Surján, Kyösti Virrankoski, Ralf Walter
Substitute(s) present for the final vote	Kathalijne Maria Buitenweg, Lidia Joanna Geringer de Oedenberg, Peter Šťastný
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	