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Committee on Civil Liberties, Justice and Home Affairs

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DRAFT REPORT

on the proposal for a decision of the European Parliament and of the Council amending Decision No 573/2007/EC, Decision No 575/2007/EC and Council Decision 2007/435/EC with a view to increasing the co-financing rate of the European Refugee Fund, the European Return Fund and the European Fund for the Integration of third-country nationals as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability (COM(2012)0526 – C7-0302/2012 – 2012/0252(COD))

Committee on Civil Liberties, Justice and Home Affairs

Rapporteur: Nils Torvalds

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a decision of the European Parliament and of the Council amending Decision No 573/2007/EC, Decision No 575/2007/EC and Council Decision 2007/435/EC with a view to increasing the co-financing rate of the European Refugee Fund, the European Return Fund and the European Fund for the Integration of third-country nationals as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability
(COM(2012)0526 – C7-0302/2012 – 2012/0252(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2012)0526),
 - having regard to Article 294(2), Article 78(2) and Article 79(2) and (4) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0302/2012),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Civil Liberties, Justice and Home Affairs (A7-0000/2012),
1. Adopts its position at first reading, taking over the Commission proposal;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

EXPLANATORY STATEMENT

The impacts of the economic and financial crisis on the public finances have been severe in a number of Member States. While most Member States have had to take far reaching measures to bring down debt levels and decrease budget deficits in order to bring the public finances back to a sustainable path, some countries have been affected to the extent that they have taken recourse to the financial support mechanisms of the EU. As a consequence of the great economic difficulties, these Member States have encountered problems in fulfilling the co-financing requirements associated with EU funding. These difficulties are evident also with regards to the funds within the framework of the General Programme "Solidarity and Management of Migration Flows".

Accordingly, the Commission has proposed a possibility to increase the co-financing rates for Member States benefiting from a financial support mechanism. The proposal aims to enable increasing the Union co-financing rate by twenty percentage points and thereby decrease the co-financing needs for the part of the Member States in question. This would bring the co-financing rate to 70 %. For projects addressing specific priorities and for Member States covered by the Cohesion Fund the increased rate would be 95 % at its most.

Your rapporteur wants to underline that the changes to the co-financing rates to Member States experiencing serious difficulties with respect to their financial stability do not entail increased total amounts for the Funds in question. The Funds' annual national allocation pursuant to the basic acts will remain unchanged while national co-financing will be reduced accordingly. Additionally, your rapporteur emphasizes that similar changes to the co-financing requirements have already been approved with regards to the Structural Funds, Cohesion Fund, Fisheries Fund and Agricultural Fund for Rural Development. Therefore, it is reasonable to enable similar changes to the Funds related to migration flows. It is also necessary to note that the proposed increased co-financing rates are on a temporary basis and without prejudice to the 2014-2020 programming period.

Your rapporteur generally supports the proposals to enable an increased co-financing rate for Member States subject to financial support. The underlying rationale for the Funds in question is to create a mechanism for solidarity among Member States when it comes to the management of migration flows. This task is not equally divided between the Member States; therefore it is justified to reassess the co-financing requirements in light of current economic challenges.

Functioning management of migration flows is of great importance for the European Union as a whole. The inability of one Member State to ensure efficient management of migration flows does not only affect the country in question, it has also an impact on many other Member States as well.

It is therefore in the interest of all Member States that the commitments made with regards to migration do not suffer from the economic difficulties in some Member States. As the participants to the recent LIBE mission to Greece have bore witness there are a number of projects in the making that require increased co-financing rates in order to be implemented. This applies to for example the renovation of detention centres in poor condition and

improvements in technical equipment needed for efficient border management. It is essential that Member States with significant economic challenges still can handle the tasks related to the management of migration flows.

Your rapporteur wants to emphasize the great importance of efficient control and evaluation systems of how the resources are being used. It is regrettable that in some Member States, misuse of funding creates problems for the absorption of EU funds. The importance of waterproof management and control systems followed by proper checks and monitoring cannot therefore be underestimated. Scrutinies of midterm evaluations are in addition necessary, as well as continuous efficient monitoring.

Following the set-up of the funding, it is necessary to enable swift decisions on these proposals. With this in mind, your rapporteur would recommend to the Committee to adopt these proposals as they stand, without amendments. This follows from the need to make sure that the changes can have the desired effect on the projects requiring co-financing in Member States experiencing serious difficulties with respect to their financial stability. This recommendation does not however mean that the European Parliament is to approve the proposals without proper scrutiny. The assessment of the rapporteur is nevertheless that under these circumstances the proposed changes are justified and essential to adopt within the proposed timeframe, whereby he recommends the Committee to support the proposals.