



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR MIGRATION AND HOME AFFAIRS

**NOTE FOR THE ATTENTION OF THE MEMBERS OF
THE AMIF – ISF COMMITTEE
AND
THE HOME AFFAIRS FUNDS COMMITTEE**

**FUNDING OF THE EU INFORMATION SYSTEMS FOR BORDERS, MIGRATION AND SECURITY
AND THEIR INTEROPERABILITY**

1. OBJECTIVES

This note provides the Committees with an overview of funding opportunities available for the Member States and the Schengen Associated Countries (SACs) for the development and subsequent implementation of the EU information systems for borders, migration and security and their interoperability. It also provides more detailed information on various aspects relevant for the implementation of the available funding.

2. SCOPE AND PLANNING

The interoperability architecture for Home Affairs consists of several EU information systems¹ and interoperability components², see Annex I for more details.

In line with the conclusions of the Justice and Home Affairs Council on 9 December 2021, the target date for full implementation of all systems and their interoperability remains end-2023. The SIS and EES are scheduled for completion in 2022 whereas the other elements (ETIAS, VIS, ECRIS TCN, Eurodac) should be completed in 2023.

¹ In some EU legal acts referred as “large-scale IT systems in the area of freedom, security and justice” or “large –scale IT systems” or simply as “ICT systems”.

² Namely the European search portal (ESP), a shared biometric matching service (shared BMS), a common identity repository (CIR) and a multiple-identity detector (MID), as set out in the following regulations:

[Regulation \(EU\) No 2019/817 of the European Parliament and of the Council of 20 May 2019 on establishing a framework for interoperability between EU information systems in the field of borders and visa and amending Regulations \(EC\) No 767/2008, \(EU\) No 2016/399, \(EU\) No 2017/2226, \(EU\) No 2018/1240, \(EU\) No 2018/1726 and \(EU\) No 2018/1861 of the European Parliament and of the Council and Council Decisions No 2004/512/EC and No 2008/633/JHA](#)

[Regulation \(EU\) No 2019/818 of the European Parliament and of the Council of 20 May 2019 on establishing a framework for interoperability between EU information systems in the field of police and judicial cooperation, asylum and migration and amending Regulations \(EU\) No 2018/1726, \(EU\) No 2018/1862 and \(EU\) No 2019/816](#)

3. FUNDING OPPORTUNITIES

2014-2020 programming period

In 2018 and 2019, a total amount of EUR 325.7 million was distributed in equal amounts as top-ups to the Member States' and SACs' programmes for implementing the *Internal Security Fund – the instrument for financial support for external borders and visa (ISF-BV)*, for the development of the new EES and ETIAS and for the SIS recast. Within each national programme, these top-ups were earmarked for each specific system and benefitted from 100% co-financing rate.

A complementary amount of EUR 79.1 million was allocated in 2019 with a variable amount per Member State and SAC for the development of “IT systems in general”³ with a co-financing rate of 75%.

Beyond this dedicated funding, Member States and SACs can also use their national allocations for the development of the EU information systems and their interoperability, within the set objectives. In particular, the operating support under the ISF-BV programmes may support, under certain conditions, the setting up and running of secure IT systems, their communication infrastructure and equipment supporting the management of migration flow, with a co-financing rate of 100%.

According to Article 17(3) of the [Horizontal Regulation \(EU\) No 514/2014](#), as amended by the [Regulation \(EU\) No 2022/585](#), Member States and SACs shall incur and fully disburse the costs before 30 June 2024.

2021-2027 programming period

Support for the EU information systems and interoperability will continue to be available, primarily under the *Instrument for Financial Support for Border Management and Visa Policy (BMVI)*, which is part of the Integrated Border Management Fund, and under the *Internal Security Fund (ISF)*. However, contrary to the 2014-2020 programming period, there is no earmarking of amounts for the purpose of the specific EU information systems and their interoperability. Therefore, Member States and SACs should decide the amounts to be allocated within their programmes to the implementation of the two interoperability Regulations and each EU information system for borders, migration and security.

Under both Funds, actions are eligible for a standard co-financing rate of up to 75%. However, priority actions as set out in Annex IV of the respective Fund Regulation are eligible for a co-financing rate of up to 90%, and costs under Article 85(2) and (3) ETIAS Regulation are eligible for a co-financing rate of up to 100%. As in the previous programming period, *operating support* can be mobilised for large-scale IT systems with a co-financing rate of 100% and under certain fund specific conditions.

ETIAS Regulation (EU) No 2018/1240

The ETIAS Regulation defines the conditions for the costs for developing the system to be covered by the EU budget (including, where applicable, under ISF BV 2014-2020 or BMVI 2021-2027). As regards costs possibly incurred by the Member States to customise and automate border checks in order to implement ETIAS, they can be covered by the EU

³ This top-up supports the development of the IT systems referred to in Article 15 of the ISF - Borders and Visa Regulation (such as VIS, SIS, EURODAC, EES, ETIAS, as well as of EUROSUR).

budget within predefined ceilings per year, which gradually increase over the first 3 years of operation of ETIAS (EUR 15 million in year one, EUR 25 million in year two and EUR 50 million per year from year three onwards).

Co-financing rates applicable to ISF BV and BMVI

The table below summarises the categories of eligible costs and applicable co-financing rates:

Eligible Costs	Co-financing rate: <i>Up to</i>
<u>2014-2020 ISF-BV:</u>	
Standard rate	75%
Top-ups (development costs)	100%
Operating support (within 40% ceiling of total programme allocations)	100%
<u>2021- 2027 BMVI:</u>	
Standard rate [e.g. a) remaining development costs, b) customization and automation of border checks above the annual ceiling and c) ETIAS operating costs eligible under the BMVI but not under ETIAS]	75%
Specific actions (when programmed in the BMVI Thematic Facility)	90%
Operating costs (operation and maintenance eligible under the ETIAS Regulation) following ETIAS entry into operation	100%
Customisation and automation (within the annual ceiling for global costs, as per the Article 85(3) ETIAS Regulation)	100%
Operating support (within 33% ceiling of BMVI total programme allocations)	100%

The ETIAS Regulation indicates the assignment to the EU budget of the revenues generated from the fees that applicants will pay to obtain a three-year valid travel authorisation. Such revenues will be gradually phased in after the entry into operation of ETIAS and will essentially cover the costs of operation and maintenance of the system.

4. IMPLEMENTATION OF FUNDING

During meetings in the Interoperability Forum and the preparation of the 2021-2027 Funds, Member States have put forward questions and asked for clarification of issues relevant for the programming and implementation of funding for the EU information systems and their interoperability. An overview of main issues raised is provided below.

4.1. BMVI vs ISF

- The Commission may only reimburse costs for EU information systems and their interoperability when such costs are claimed by Member States under a programme of the Home Affairs Funds.

- Each Member State should primarily foresee the costs for the EU information systems and their interoperability architecture in their BMVI programme.
- ISF programmes may also fund projects to improve the interoperability of EU information systems and national ICT systems, insofar as provided for by Union or Member State law (Annex IV, point 2 of the ISF Regulation). They may also contain costs for interoperability when those IT systems may be used in the complementary area covered by the BMVI Regulation and provide data and services for the prevention, detection and investigation of criminal offences (Article 5(4) ISF Regulation).

4.2. Development costs:

- The **SIS upgrade and EES start of operation** are foreseen for 2022 and the ETIAS development should be completed in 2023. Therefore, Member States and SACs should fund under the 2014-2020 ISF-BV programmes all development costs before the end of eligibility of the expenditure (30 June 2024).
- Development costs for the actions required under the **interoperability Regulations** can be funded with a co-financing rate of 90% in accordance with Annex IV(12) of the BMVI Regulation for 2021-2027 programming period.
- Any development costs for EU information systems incurred after 30 June 2024 can be reimbursed with a co-financing rate of up to 75% under the 2021-2027 Home Affairs Funds programmes, in particular the BMVI.

4.3. Operating costs:

Interoperability and EU information systems in general

- Costs linked to interoperability are eligible for a co-financing rate of 90% under Annex IV of BMVI and ISF 2021-2027.
- Costs of EU information systems can be funded under the 2021-2027 Home Affairs Funds, in particular the BMVI. The standard co-financing rate is up to 75%.
- Operating support for the EU information systems can be provided, as per Annex VII of the BMVI, with a co-financing rate of 100% and up to 33% of the amount allocated to each Member State programme.

ETIAS operating costs (see Annex II - list of relevant provisions of ETIAS Regulation)

- Costs listed in the first indent of Article 85(2) ETIAS Regulation benefit from a 100% co-financing rate under the BMVI.
- Other operating costs listed in the second indent of Article 85(2) ETIAS Regulation as not eligible for a 100% co-financing rate, can benefit from a co-financing rate of up to 75%, if the costs are considered eligible under the BMVI.

Costs relating to Article 85(3) ETIAS Regulation are eligible for a 100% co-financing rate under the BMVI, as long as the total EU financial support for these costs for all Member States as a whole stays below the annual ceilings set out in the

ETIAS Regulation. The annual ceiling will be split in advance equally between Member States and participating SACs, which will allow the Commission to reimburse costs declared with a co-financing rate of 100% already at the time of the interim payment claim.

- Costs incurred by the Member States beyond the annual ceilings can be covered under the BMVI programme at a co-financing rate of 75%.
- Operating costs relating to Article 85(2) and (3) ETIAS Regulation can only occur as of ETIAS start of operation. The start date of operation of ETIAS will be set in a Commission decision in accordance with Article 88 ETIAS Regulation.

4.4. Reporting by Member States on the implementation of EU information systems for borders, migration and security and their interoperability

- If a Member State decides to fund under BMVI 2021-2027 an EU information system which serves the objectives of other Home Affairs Funds (AMIF, ISF) (**multipurpose**) or activities required under the EU interoperability legal framework, the reporting will be ensured as follows:
 - The **‘Payment applications’** (Annex XXIII of the CPR) **and the ‘Accounts’** (Annex XXIV of the CPR) modules in SFC2021 will collect data on eligible expenditure by specific objective and by type of action.
 - The **‘Transmission of data’** module in SFC2021 (Annex VII of the CPR) will collect financial data at the level of the codes set out in the BMVI Annex VI (table 1, table 2, table 3 and table 4), as well as data on output and result indicators.
 - The **Annual Performance Report** modules in SFC2021 will collect information about the relevant projects, their objectives and the funding committed and the total EU contribution (payments) received, should be included in the BMVI Annual Performance Report, in accordance with Article 29(2c) BMVI Regulation on *“the complementarity between the actions supported under the Instrument and the support provided by other Union funds”*.

This also applies if a Member State decides to fund under the ISF an EU information system or activities required under the EU interoperability legal framework.

4.5. Reporting by Member States on ETIAS costs

Programming phase:

- For the purpose of implementing Article 85(2) and (3) of ETIAS Regulation, Member States should include in Table 3 of the programme (“Indicative breakdown”), the indicative amounts per specific objective and type of intervention, as well as the corresponding EU contribution to that amount.

Each Member State should add the overall amount for the purpose of implementing Article 85(3) ETIAS Regulation during 2021-2027 period. In line with that Article, the financial support will amount to:

- ⇒ *First year of ETIAS operation:* maximum EUR 15 million in total (EUR 0.5 million/ each of 26 Member States and the 4 SACs),
- ⇒ *Second year of ETIAS operation:* maximum EUR 25 million in total (EUR 0.83 million/ each of 26 Member States and the 4 SACs) and
- ⇒ *Third year and the subsequent years of ETIAS operation:* maximum EUR 50 million in total (EUR 1.66 million/ year/each of the 26 Member States and the 4 SACs).

As ETIAS start of operation is envisaged for 2023, a Member State will be entitled to maximum EUR 6.31 million financial support for the implementation of Article 85(3) ETIAS Regulation for 2023-2027 period.

- The relevant codes (from Annex VI, table 1 of the BMVI Regulation) are:
 - **Development/other costs: Code 021 – Large-scale IT systems – European Travel Information and Authorisation System (ETIAS) – others**
 - **Operating and maintenance costs, as defined in Article 85(2) ETIAS Regulation:** Code 022 - Large-scale IT systems – European Travel Information and Authorisation System (ETIAS) – Article 85(2) of the Regulation (EU) No 2018/1240
 - **Operating and maintenance costs as defined in Article 85(3) ETIAS Regulation:** Code 023 - Large-scale IT systems – European Travel Information and Authorisation System (ETIAS) – Article 85(3) of the Regulation (EU) No 2018/1240
- In addition, Member States will submit in Table 6 of the programme (“Total financial allocations”), separately for Article 85(2) and (3) ETIAS Regulation, the amounts split between Union and national contribution of the programme.

Implementation phase:

- 1) Member States will report **ETIAS** eligible expenditure in **the payment applications and in the accounts** based on the two types of action defined in Table 6 of the programme, namely ‘Article 85(2) ETIAS Regulation’ and ‘Article 85(3) ETIAS Regulation’.
- 2) Member States will report ETIAS financial data in the **transmission of data** module in accordance with the codes set out in the BMVI Annex VI (Table 1 to 4).
- 3) In line with Article 29(2)(g) BMVI Regulation, Member States shall report in the **Annual Performance Report** on the level of expenditure under Article 85(2) and (3) ETIAS Regulation included in the BMVI programme accounts pursuant to the Article 98 of the Common Provision Regulation (Content and submission of accounts)

If a Member State decides to use the BMVI 2021-2027 operating support (100% EU co-financing rate) for the operation and maintenance of large-scale IT systems, including ETIAS, the total operating support shall not exceed 33% of the amount allocated to its programme. The Member State shall describe such use in the Annual

Performance Report and shall avoid any duplication with the costs registered under the intervention codes for ETIAS (codes 021, 022, 023).

ETIAS revenues

- The Commission's intention is to propose a mechanism to ensure that revenue is channelled to Member States and the SACs in proportion to their ETIAS operating costs. Such a mechanism can only be defined when more information on revenues actually received will be available.
- Considering the phasing-in period, the Commission intends to examine the situation when ETIAS has been operating for some time, i.e. 1 year after its start of operation.

Enclosures: Annex I – EU Information Systems and their interoperability (*short description*)
Annex II – ETIAS Regulation (EU) No 2018/1240 (*selected provisions*)