

## Annex II

### Guidance note

#### **Revision of ISF National Programmes (Borders and Visa instrument) for the allocation of additional amounts for development of ETIAS, SIS-recast and IT systems in general**

#### **I. European Travel Information and Authorisation System (ETIAS)**

##### **A. Eligibility, implementation and monitoring**

The allocation of **EUR 3 216 666,66** received by each Member State shall be used in accordance with Article 85 of Regulation (EU) 2018/1240. Accordingly, the costs eligible under this allocation are those incurred by Member States with the development of the national components of the ETIAS that are under Member States' responsibility. It includes the costs related to the integration of the existing national border infrastructure and the connection to the National Uniform Interface (NUI), the hosting of the NUI, the establishment of the ETIAS National Units, including the procurement and the installation of the IT equipment to be used by the National Units' staff and the recruitment and training of their staff members.

In line with Article 85(1) of Regulation (EU) 2018/1240, the contribution from the Union budget can cover 100% of those eligible costs (no co-financing needed).

In accordance with Article 85(2) points a) to d) of Regulation (EU) 2018/1240, this extra allocation cannot cover any of the costs listed under those points, nor ETIAS' operating costs. Nevertheless, such costs are eligible for funding through other resources from the National Programme, including the resources available for operating support (SO3). For such costs the general co-financing principle applies, meaning that as a rule the funding from the NP can cover only up to 75% of the eligible costs (with the exception of operating support costs (SO3), for which no co-financing is required).

To ensure compliance with the eligibility/financing rules mentioned above, the implementation of the above-mentioned activities under the ISF-B&V NP shall be closely monitored. Therefore, to clearly distinguish the activities/costs referred to in Article 85(1) of Regulation (EU) 2018/1240 from others costs that are not eligible, all actions related to the development of the ETIAS covered through the extra allocation should be clearly identifiable in the accounts. For that purpose, in addition to the current "ETIAS" keyword, another keyword "ETIAS Regulation 2018/1240" will be added in the SFC2014 accounts module. Member States should use this new keyword when reporting on the action(s) supported through this specific extra allocation. Member States are also encouraged to add a reference to Regulation (EU) 2018/1240 in the title of the actions supported through this extra allocation.

##### **B. Revision**

A paragraph will be inserted in the SFC2014 template under Table 1 (Financing Plan ISF-Borders) of Section 7, reading as follows:

*"The amount under SO2 / NO6 includes an envelope of EUR 3 216 666,66 that shall be used to support exclusively the costs incurred by Member States in accordance with Article 85(1) of Regulation (EU) 2018/1240. Such costs can be fully supported (up to 100%) by this extra allocation. This extra allocation cannot be used to cover other costs, including those referred to in Article 85(2) points a) to d) of Regulation (EU) 2018/1240, as well as ETIAS' operating costs."*

Each Member State participating in the ISF Borders & Visa instrument is invited to submit the draft of its revised ISF National Programme by the 15 September 2019 (and no later than 18 September) along the following lines:

- 1) Insert the following paragraph in the NP under SO2/NO6: "*Development and implementation of the European Travel Information and Authorization System (ETIAS). Funding for this priority will be provided as stipulated under Section 7.*"
- 2) Add the extra allocation of EUR 3 216 666,66 in Table 1 (Financing Plan ISF-Borders) of Section 7, under the SO2 / NO6 (National Capacity).

## **II. Schengen Information System (SIS)**

### **A. Eligibility, implementation and monitoring**

The allocation of **EUR 1 227 000** received by each Member State shall be entirely devoted to the quick and effective upgrading of the national components of the SIS, in line with the requirements of Regulation (EU) 2018/1861 on the establishment, operation and use of the Schengen Information System in the field of border checks (SIS-recast) adopted on 28/11/2018 and published in the OJ on 7/12/2018.

Such extra allocation can also be used to cover any costs resulting from requirements of Regulations (EU) 2018/1860 (use of SIS for the return of illegally staying third-country nationals) and Regulation (EU) 2018/1862 (on the establishment, operation and use of SIS in the field of police cooperation and judicial cooperation in criminal matters), on condition that those costs fall under the scope and objectives (and are therefore eligible) of the ISF – Borders & Visa Regulation.

In line with Article 85(1) of Regulation (EU) 2018/1240, the contribution from the Union budget can cover 100% of those eligible costs (no co-financing needed).

This extra allocation cannot cover any of the costs related to the setting up, operating, maintaining and further developing of SIS that do not derive from a requirement introduced by the regulations mentioned above. Nevertheless, such costs are eligible for funding through other resources from the National Programme, including the resources available for operating support (SO3). For such costs the general co-financing principle applies, meaning that as a rule the funding from the NP can cover only up to 75% of the eligible costs (with the exception of operating support costs (SO3), for which no co-financing is required).

To ensure compliance with the eligibility/financing rules mentioned above, the implementation of the above-mentioned activities under the ISF-B&V NP shall be closely monitored.

Therefore, all actions related to the development and implementation of the SIS-recast Regulation supported through the NP should be clearly identifiable in the accounts. For that purpose, in addition to the current “SIS” keyword, a dedicated keyword “SIS Regulation (EU) 2018/1240” will be added in the SFC2014 accounts module. Member States should use this new keyword when reporting on the action(s) supported through this specific extra allocation. Member States are also encouraged to add a reference to Regulation (EU) 2018/1861 in the title of the actions supported through this extra allocation.

### **B. Revision**

A paragraph will be inserted in the SFC2014 template under Table 1 (Financing Plan ISF-Borders) of Section 7, reading as follows:

*“The amount under SO2 / NO6 includes an envelope of EUR 1 227 000 that shall be used to support exclusively the costs incurred by Member States for the quick and effective upgrading of the national components of the SIS, in line with the requirements of Regulation (EU) 2018/1861. Such costs can be fully supported (up to 100%) by this extra allocation. This extra allocation cannot be used to cover any of the other costs related to the setting up, operating, maintaining and further developing of SIS which do not derive from a requirement introduced by the Regulation mentioned above.”*

Each Member State participating in the ISF Borders & Visa instrument is invited to submit the draft of its revised ISF National Programme by the 15 September 2019 (and no later than 18 September) along the following lines:

- 1) Insert the following paragraph in the NP under SO2/NO6: "*Support to the quick and effective upgrading of the national components of the SIS, in line with the requirements of Regulation (EU) 2018/1861. Funding for this priority will be provided as stipulated under Section 7.*"
- 2) Add the extra allocation of EUR 1 227 000 in Table 1 (Financing Plan ISF-Borders) of Section 7, under the SO2 / NO6 (National Capacity).

### **III. Development of IT systems**

#### **A. Eligibility, implementation and monitoring**

Each Member State participating in the ISF Borders & Visa instrument shall receive an extra allocation, as indicated in the table in Annex I, aiming to support the development of border management IT systems referred to in Article 15 of the ISF – Borders & Visa Regulation.

Through this extra allocation Member States can potentially cover any type of costs related to those IT systems (SIS, VIS, EES, ETIAS, EURODAC, etc.) used for border management purposes. For such costs the standard co-financing rule applies, meaning that as a rule the funding from the NP can cover only up to 75% of the eligible costs (with the exception of operating support costs (SO3), for which no co-financing is required).

To note however that, as set out in the relevant agreements signed with the Schengen Associated Countries (SAC), this extra funding for the development of those IT systems is subject to the adoption of the relevant Union legal acts by 31 December 2018. Therefore, and considering that the EU Regulations on Interoperability (Regulation (EU) n°2019/817 and Regulation (EU) n°2019/818 were adopted only on the 20 May 2019, any costs that concern *strictly and exclusively* the implementation of that future regulation are not eligible for funding through this extra allocation. Nevertheless, such costs are eligible for funding through other resources from the National Programme, including the resources available for operating support (SO3).

#### **B. Revision**

As explained above, this extra funding can be used to support different border management IT systems falling under several objectives of the ISF-Borders and Visa instrument and, therefore, the allocation can be split between different National Objectives of SO1 (Visa Policy), SO2 (Borders) and SO3 (Operating Support).

Each Member State participating in the ISF Borders & Visa instrument is invited to submit the draft of its revised ISF National Programme by the 15 September 2019 (and no later than 18 September), which includes the relevant actions in the narrative part of the programme, as necessary, and in Table 1 (Financing Plan ISF-Borders) of Section 7 the extra funding allocated in accordance with the table in Annex I.