

# Annual Activity Report 2020

DG MIGRATION AND HOME AFFAIRS



*D*ear Reader,

*2020 was an extraordinary year. The Covid-19 pandemic spread throughout the world, affecting all parts of our societies – also DG HOME, our staff and our activities. When Member States were setting up individual border controls in their efforts to stop the virus, DG HOME was in the frontline striving to limit the effects on free movement and promoting a coordinated EU approach. We are now continuing to work together with Member States to make sure that Schengen becomes again a true area of free movement.*

*This Annual Activity Report shows how DG HOME has started to deliver on the priorities of the von der Leyen Commission. The initiatives we have presented for adoption by the Commission in 2020 will shape Europe's work in the fields of security, migration and borders for the coming 4 years.*

*In 2020, the terrorist threat remained high, and organised crime continued to have a direct impact on the daily lives of citizens, also exploiting the specific situation created by the pandemic. It is clear that no country can handle these international threats singlehandedly, and consequently DG HOME worked during the year on a number of Commission proposals to allow the EU to become more effective, among others, in the fight against terrorism, drugs, firearms and child sexual abuse.*

*In 2020, we also laid the ground for an even closer cooperation with partner countries, using a range of measures relating to internal security and migration management in our relations with third countries.*

*The EU as a whole registered in 2020 a 6-year low in irregular border crossings. Our main challenge remains to find an optimal way to manage migration. A significant step forward was taken in September 2020, when the Commission adopted the New Pact on Migration and Asylum. I am proud to say that the Pact – at the time of writing under negotiation by the Member States and the European Parliament – provides a solid basis for addressing current and future migration challenges while fully respecting European values and fundamental rights.*

*During the year, DG HOME was also active on the ground. Together with the Greek authorities, we signed a Memorandum of Understanding setting out the respective responsibilities in managing migration, and a Taskforce in DG HOME is now implementing a joint pilot for a new reception centre on Lesbos. We supported also the transfer of migrants from the current centres on the islands, decreasing their population from 42 000 to 15 000 persons. In addition, 14 800 persons in need of protection came to Europe with the support of our funds via safe and legal pathways – despite the pandemic.*

*Let me close by expressing my gratitude to all DG HOME staff for their excellent work and commitment, in particular in these very challenging times.*

*Monique Pariat  
Director-General for Migration and Home Affairs*

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## Acronyms and other short forms

|         |                                                                                                                 |
|---------|-----------------------------------------------------------------------------------------------------------------|
| AMIF    | Asylum, Migration and Integration Fund                                                                          |
| AAR     | Annual Activity Report                                                                                          |
| CEPOL   | EU Agency for Law Enforcement Training                                                                          |
| DG BUDG | Directorate-General for Budget                                                                                  |
| DG HOME | Directorate-General for Migration and Home Affairs                                                              |
| EASO    | European Asylum Support Office                                                                                  |
| EMAS    | Emergency Assistance                                                                                            |
| EMCDDA  | European Monitoring Centre for Drugs and Drug Addiction                                                         |
| eu-LISA | EU Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice |
| Europol | EU Agency for Law Enforcement Cooperation                                                                       |
| FY      | Financial Year                                                                                                  |
| FP7     | 7 <sup>th</sup> Framework Programme                                                                             |
| Frontex | European Border and Coast Guard Agency                                                                          |
| ISF     | Internal Security Fund                                                                                          |
| OLAF    | European Anti-Fraud Office                                                                                      |
| RAL     | open commitments / <i>reste à liquider</i>                                                                      |
| RER     | Residual Error Rate                                                                                             |
| SOLID   | Solidarity and Management of Migration Flows – Funding Programme                                                |

## THE DG IN BRIEF

The Directorate-General for Migration and Home Affairs (DG HOME) is responsible for EU policy, legislation and action in the fields of security, borders and migration. Commissioner Ylva Johansson gives political guidance, while Director-General Monique Pariat steers the DG operationally.

DG HOME policies are **shared competences** of the European Union<sup>1</sup>, based on European core values and principles: human dignity, freedom, democracy as well as the rule of law, equality, tolerance, and respect for human rights.

DG HOME's **vision** is an open and secure Europe, where people can enjoy their rights and freedoms.

DG HOME's **mission** is to help ensure that the European Union protects and makes a real positive difference in the areas of migration and security.

The requirement to provide swift and effective response to migration challenges and security threats has led to necessary staff reinforcements in the past years. Currently, **597 people are working in DG HOME**.

Working for a comprehensive approach on migration and security, DG HOME: develops **legislative proposals** to establish and improve common EU action; monitors and enforces Member States' correct **implementation** of applicable rules; and provides **financing** to support policies. DG HOME also supports Member States operationally via its **migration management support teams** posted in Greece, Italy, Spain, Cyprus, and Malta, working in close cooperation with EU Agencies.

DG HOME accommodates since September 2020 a **Taskforce for Migration Management**, which is tasked to support migration management in Greece in a sustainable way, implementing a joint pilot with the Greek authorities for a new migrant reception facility on Lesbos. DG HOME also hosts the **Anti-trafficking Coordinator** and will in 2021 appoint a **Return Coordinator**. In 2020, DG HOME transferred the responsibility for the secretariat of the Task Force for the Security Union to the Secretariat-General of the Commission. In December, the Commission decided to create the position of a Commission **Counter-Terrorism Coordinator**, who will be hosted in DG HOME.

The EU has established **six Agencies**<sup>2</sup> in the area of Migration and Home Affairs, which have a key role in the effective implementation of Home Affairs policies. In addition, DG HOME supervised the Research Executive Agency for the Secure Societies part of the Horizon 2020 programme.



For the programming period 2014–2020, the overall budget managed by DG HOME amounts to € 17.63 billion. Most of these resources are allocated to the two Migration and Home Affairs Funds: the **Asylum, Migration and Integration Fund (AMIF)** and the **Internal Security Fund (ISF)**. The initial overall budget of € 6.9 billion for these two

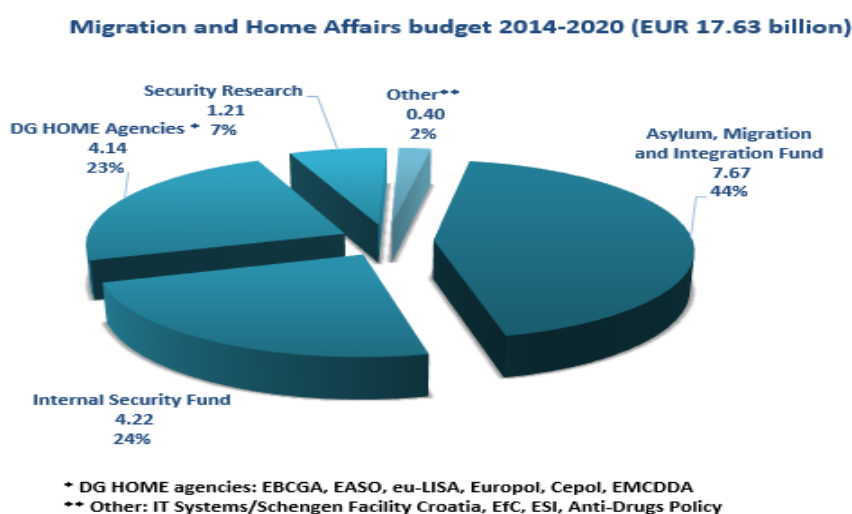
<sup>1</sup> Treaty on the Functioning of the European Union (TFEU – Title V of Part three).

<sup>2</sup> The EU Agency for Law Enforcement Cooperation (Europol); the EU Agency for Law Enforcement Training (CEPOL); the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA); the EU Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA); the European Asylum Support Office (EASO) and the European Border and Coast Guard Agency (Frontex) [https://ec.europa.eu/home-affairs/what-we-do/agencies\\_en](https://ec.europa.eu/home-affairs/what-we-do/agencies_en)

Funds has been substantially reinforced and reached, by end of 2020, a total of € 11.89 billion. The two main Migration and Home Affairs Funds are designed to be flexible and responsive to shared and country-specific challenges and to opportunities in relation to migration and security. In 2020, DG HOME policies were supported by € 2.98 billion of commitment appropriations representing approximately 1.76% of the EU budget<sup>3</sup>, and a corresponding amount of payments appropriations equal to € 2.66 billion.

For the implementation of the allocated budget, DG HOME uses different implementation modes<sup>4</sup>:

- **Shared management** of AMIF/ISF funds (2014–2020), SOLID<sup>5</sup> funds (2007–2013);
- **Direct management** of research and non-research grants, and procurement;
- **Indirect management** of decentralised agencies and entrusted entities.



<sup>3</sup> In addition to the budget voted by the legislative authority, authorised commitment appropriations include appropriations carried over from the previous exercise, budget amendments, and miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

<sup>4</sup> See Part 2 for more information and reporting on the commitments that have been made in 2020.

<sup>5</sup> Solidarity and Management of Migration Flows (SOLID) consisted of four instruments: External Borders Fund (EBF), European Return Fund (ERF), European Refugee Fund (RF) and European Fund for the Integration of third-country nationals (EIF). DG HOME is in the process of finalising the follow up of the conclusions of the ex post and the European Court of Auditors audits.

## EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director-General of DG HOME to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties<sup>6</sup>.

### A. Key results and progress towards the achievement of the Commission's general objectives and DG's specific objectives (executive summary of section 1)

Contributing mainly to the Commission's General Objective 5, *Promoting our European way of life*, DG HOME continued in 2020 to develop EU-level rules in the fields of migration and home affairs, to oversee their implementation and to provide operational and financial support in an environment drastically impacted by the Covid-19 pandemic. Given its mandate and mission, DG HOME is at the forefront of the EU's response to the pandemic, and swiftly redirected its resources and means to address the challenge effectively.

**Implementation of Migration and Home Affairs Funds progressed according to plan**, although the number of requests for emergency assistance under the Asylum, Migration and Integration Fund – aiming to address urgent needs in Member States' asylum systems, support the creation of reception and accommodation facilities, and move unaccompanied minors to suitable locations – was high<sup>7</sup>. This led to a considerable increase of the related 2020 emergency assistance budget under the annual work programme, from € 578 million to € 740 million<sup>8</sup>.

#### *In 2020, DG HOME contributed to...*

#### *... strengthened internal security and stronger engagement with partner countries:*

In line with the 2020–2024 Strategic Plan, DG HOME elaborated the New Way Forward on Internal Security as the specific Home Affairs related contribution to the **EU Security Union Strategy**<sup>9</sup>, aiming to fill in the gaps in the EU's common approach to internal security. It focuses on internal security areas, where transnational cooperation and coordination between law enforcement authorities are essential to successfully prevent and fight crimes.

*Fighting organised crime:* To step up efforts, DG HOME launched initiatives on several fronts, and presented among others an **EU Agenda and Action Plan on Drugs**<sup>10</sup> and an **Action Plan on firearms trafficking**<sup>11</sup>. As action at national level alone does not suffice

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<sup>6</sup> Article 17(1) of the Treaty on European Union.

<sup>7</sup> 26 emergency assistance applications and requests for cost amendments were submitted in 2020.

<sup>8</sup> This increase is a result of the transfers of appropriations to the asylum budget line, after the release of these appropriations from the Internal Security Fund-Borders budget line and of newly available assigned revenue from the Global Transfer Exercise for 2020.

<sup>9</sup> COM(2020) 605 final of 24.7.2020.

<sup>10</sup> COM(2020) 606 final of 24.7.2020.

<sup>11</sup> COM(2020) 608 final of 24.7.2020.

to address transnational security challenges, the Commission adopted proposals to strengthen **Europol's mandate**<sup>12</sup> and to enable Europol to **issue alerts in the Schengen Information System** on the basis of third-country sourced information<sup>13</sup>. This will allow the Agency to better support national law enforcement authorities with information, analysis and expertise, and to facilitate cross-border police cooperation.

*Fighting terrorism and radicalisation:* Faced, at the end of 2020<sup>14</sup>, with stark reminders of our fragile security landscape and vulnerabilities, DG HOME prepared the Commission proposal for a **Counter-Terrorism Agenda for the EU**<sup>15</sup>, building on the work done in recent years, and aiming to better anticipate, prevent, protect and respond to terrorist threats. Furthermore, DG HOME prepared legislation to increase the **resilience of critical entities**<sup>16</sup>, aiming to protect essential services and the good functioning of the internal market. Inter-institutional negotiations led to an agreement on the Regulation on preventing the dissemination of **terrorist content online**<sup>17</sup>. This will ensure that online platforms play a more active role in detecting such content and removing it within 1 hour.

The growing number of operations conducted with the involvement of Europol's Cybercrime Centre, from 397 in 2019 to 430 in 2020, shows the increased value of international and public-private cooperation.

*Fighting crimes in a digital age:* With an increase in activity from malicious actors, countering cybercrime remains a priority for DG HOME. The EU Strategy for a more **Effective Fight against Child Sexual Abuse**<sup>18</sup> addresses the dramatic increase in detected cases of child sexual abuse in recent years, notably during the Covid-19 crisis. DG HOME also contributed to the Regulation enabling temporary continuation of voluntary measures to detect child sexual abuse online<sup>19</sup>, and work to conclude the inter-institutional negotiations as soon as possible.

*Engaging partner countries on security:* A number of **dialogues on security with partner countries outside the EU**, including on drugs, crime and counter-terrorism, took place in 2020. DG HOME worked on an effective international response to the threat of **child sexual abuse** and participated in the board of the organisation *We Protect Global Alliance to End Child Sexual Exploitation Online*. DG HOME was also closely involved in the negotiation of the law enforcement chapter of the **EU-UK Trade and Cooperation Agreement**.

*... an effective asylum and migration management policy both inside the EU and in our cooperation with partner countries:*

To respond to the need for a fresh start on reforming the EU's migration policy, making sure it can address current and future challenges while fully respecting European values

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<sup>12</sup> COM(2020) 796 final of 9.12.2020.

<sup>13</sup> COM(2020) 791 final of 9.12.2020.

<sup>14</sup> As witnessed in the Vienna attack of 2 November, Nice attack of 29 October and Paris attack of 16 October 2020.

<sup>15</sup> COM(2020) 795 final of 9.12.2020.

<sup>16</sup> COM(2020) 829 final of 16.12.2020.

<sup>17</sup> COM(2018) 640 final of 12.9.2018.

<sup>18</sup> COM(2020) 607 final of 24.7.2020.

<sup>19</sup> COM(2020) 568 final of 10.9.2020. In cooperation with the Directorate General for Communications Networks, Content and Technology.

and fundamental rights, the Commission adopted in September 2020 the **New Pact on Migration and Asylum**<sup>20</sup>. In line with the 2020–2024 Strategic Plan, DG HOME was the main service involved and prepared the accompanying legislative initiatives. The Pact builds on an extensive number of consultations and is based on fair sharing of responsibility and solidarity. It aims at reinforced border management, more effective asylum procedures, improved return procedures for those with no right to stay, strengthened legal migration pathways to the EU, improved integration of migrants, fighting against migrant smuggling, and stronger partnerships with non-EU countries to support them managing migration.

*Reducing the incentives for migrants to arrive irregularly:* DG HOME continued working with **countries of origin, transit and destination** on migration, including on improving cooperation on readmission. A new **Joint Declaration on Migration Cooperation** was negotiated with Afghanistan. An important step was the entry into force of the **Visa Facilitation and Readmission Agreements** with Belarus<sup>21</sup>. Negotiations with the African, Caribbean and Pacific States were also finalised at political level, reinforcing and simplifying returns and readmissions. 14 812<sup>22</sup> migrants were resettled to the EU in 2020 despite the disruptions caused by the Covid-19 pandemic, mainly from Syria (about 9 000 persons), Sudan (1 200), and Eritrea, Somalia and the Democratic Republic of the Congo (about 1 000 each)<sup>23</sup>. In the fight against migrant smuggling, a ministerial process was launched to strengthen the operational cooperation between with North African partners. This entailed, among others, a **ministerial conference to counter migrant smuggling**.

*Returning migrants with no right to stay:* For the EU asylum system to be credible, **migrants with no right to stay need to be returned**. DG HOME took action to increase the return rate, for instance by further improving the cooperation with key countries of origin and pushing for an adoption of the recast return Directive<sup>24</sup>, although no agreement has yet been reached. DG HOME also prepared the first ever factual assessment report on third countries' **cooperation on readmission** with a view to implement the provisions of the Visa Code, allowing the link of **EU visa policy** to the level of **cooperation on readmission**.

Despite action undertaken by DG HOME (see page 23), the average return rate decreased from 29.0% in 2019 to 17.6%<sup>25</sup> in 2020. To improve the effectiveness of the return system and ensure that return is a common responsibility, the Commission decided to appoint a **Return Coordinator** in DG HOME, supported by a new High Level Network for Return. The Coordinator will be appointed in 2021.

*Providing help to people in need:* During the year, people continued fleeing persecution in their home countries in search of a better life. With the support of Migration and Home Affairs Funds, Member States assisted 353 653 asylum-seekers and a total of € 207.9

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<sup>20</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/new-pact-migration-and-asylum\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/new-pact-migration-and-asylum_en)

<sup>21</sup> OJ L 180, 9.6.2020, p. 3.

<sup>22</sup> Data source: The Asylum, Migration and Integration Fund Programme Statement, based on Member States' Annual Accounts for the financial year 2020 (16.10.2019–15.10.2020).

<sup>23</sup> Data source: Member States' Annual Accounts for the financial year 2020 (16.10.2019–15.10.2020).

<sup>24</sup> COM(2018) 634 final of 12.9.2018.

<sup>25</sup> Data for 2020 from Denmark pending at the time of publication of this report.

million in EU contribution was spent in the area of asylum in 2020<sup>26</sup>. The first European **Contact Group on Search and Rescue** was set up. Following the fires that destroyed the Moria Reception and Identification Centre on Lesbos in September, DG HOME financed the transfer of **406 unaccompanied minors** from Moria to the mainland – moving the unaccompanied children from the other islands' Reception and Identification Centres to safety as well. In 2020, 11 countries welcomed 2 213 of the 5 250 migrants from Greece that 16 countries in total voluntarily had pledged to relocate<sup>27</sup>. The remaining relocations, to fulfil the rest of the pledges, are taking place in 2021 with the continuous support and coordination by DG HOME. In 2020, 2 565 people used the **Assisted Voluntary Return and Reintegration** programme to return from Greece to their country of origin.

The population in the Greek hotspots went from 42 000 persons at the end of 2019 to 15 000 at the end of 2020. This reduction is mainly the result of nearly 32 000 migrants having been transferred from the islands to the mainland in 2020.

DG HOME contracted € 121 million in emergency assistance for the construction of three new Centres on the islands of Samos, Kos and Leros. In addition, and in full agreement with the Greek authorities, the Commission set up a **Taskforce** based in DG HOME to support migration management in Greece in a sustained way. The Taskforce immediately started its work to implement a joint pilot with the Greek authorities for a new reception facility on Lesbos, and help ensure effective migration management.

*Promoting integration:* DG HOME supports Member States in their efforts to **integrate third-country nationals** in European societies, promoting integration through cooperation and funding. A new **Action Plan on Integration and Inclusion 2021–2027**<sup>28</sup> was adopted, which includes more than 50 new actions to be put in place by the Commission to promote integration. In 2020, Member States spent € 125 million of Migration and Home Affairs Funds on legal migration and integration measures for the benefit of 999 222 migrants<sup>29</sup>.

### *... a fully functioning area of free movement:*

DG HOME worked in 2020 for strong external borders and a harmonised implementation of the common visa policy, which, as indicated in the 2020–2024 Strategic Plan, will allow for a return to a fully functioning Schengen area – a key driver of our prosperity, security and freedoms. Preparatory work was ongoing to deploy the first teams of the **European Border and Coast Guard standing corps** in 2021. DG HOME also prepared a significant number of secondary legislation necessary to enable the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA) to begin the design and development of the **new information systems** and their **interoperability**.

<sup>26</sup> Data source: The Asylum, Migration and Integration Fund Programme Statement (number of asylum seekers) and Member States' Annual Accounts (amount in €), for the financial year 2020 (16.10.2019–15.10.2020).

<sup>27</sup> Unaccompanied minors, severely ill children together with their families, vulnerable persons and recognised refugees.

<sup>28</sup> COM(2020) 758 final of 24.11.2020.

<sup>29</sup> Data source: The Asylum, Migration and Integration Fund Programme Statement (number of migrants) and Member States' Annual Accounts (amount in €), for the financial year 2020 (16.10.2019–15.10.2020).

The inter-institutional negotiations on the reform of the **Visa Information System**<sup>30</sup> were successfully concluded with the support of DG HOME. The System will together with the Entry/Exit System and European Travel Information and Authorisation System **strengthen border management and security** within the Schengen area.

*Preserving Schengen in a pandemic:* **Covid-19** and the global health crisis had a pronounced effect on activities in 2020. In line with the **Joint European Roadmap**<sup>31</sup>, DG HOME worked with Member States and other services towards ensuring a coordinated EU response to the pandemic (see point E below). With the aim of fostering cooperation and political dialogue and rebuilding trust, DG HOME organised the **first ever Schengen Forum** in November. A second Forum is scheduled for spring 2021 and will feed into the adoption of the Schengen Strategy and accompanying proposals.

## B. Key Performance Indicators (KPIs)

**Key performance indicator 1:** *Enhanced cooperation and information exchange between law enforcement authorities, measured by the use of EU and decentralised information exchange databases and mechanisms by law enforcement authorities* (result indicator 1.3).

This indicator shows the growing importance of cross border information exchange. In 2020, information exchange increased in most systems. However, the number of hits in the Schengen Information System dropped (from 283 713 in 2019 to 209 178 in 2020) as a consequence of travel restrictions imposed under the Covid-19 pandemic.

|                                                        | 2016              | 2017        | 2018        | 2019<br>(baseline)      | 2020              | 2021<br>(milestone) | 2024<br>(target) |
|--------------------------------------------------------|-------------------|-------------|-------------|-------------------------|-------------------|---------------------|------------------|
| <b>SIS</b> <sup>A</sup>                                | Ratio: 0.28       | Ratio: 0.32 | Ratio: 0.32 | Ratio: 0.31             | Ratio: 0.22       | Increase            | Increase         |
| <b>Prüm</b> <sup>B</sup> : total matches               | 2 806 642         | 3 466 995   | 4 538 388   | 3 500 000               | n/a <sup>32</sup> | Increase            | Increase         |
| <b>SIENA</b> <sup>C</sup> : messages exchanged         | 869 858           | 1 005 610   | 1 110 962   | 1 244 000 <sup>33</sup> | 1 266 233         | Increase            | Increase         |
| <b>ARO</b> <sup>D</sup> : messages exchanged via SIENA | 3 382             | 5 268       | 5 912       | 6 966                   | 7 964             | Increase            | Increase         |
| <b>EIS</b> <sup>E</sup> : searches performed           | 1 436 838         | 2 478 825   | 4 062 974   | 7 489 400 <sup>34</sup> | 10 231 322        | Increase            | Increase         |
| <b>PNR</b> <sup>F</sup> :                              |                   |             |             |                         |                   |                     |                  |
| i) total number of spontaneous transfers               | n/a <sup>35</sup> | n/a         | n/a         | 91                      | 88                | Increase            | Increase         |
| ii) total number of emergency requests                 | n/a               | n/a         | n/a         | 61                      | 9                 |                     |                  |
| iii) total number of case-by-case requests             | n/a               | n/a         | n/a         | 1 827                   | 4 404             |                     |                  |

A) Schengen Information System (SIS). Measuring the ratio between the number of hits on discreet or specific check alerts and the total number of such alerts issued. Data source: eu-LISA.

B) Data source: Council/Member States.

C) Secure Information Exchange Network Application (SIENA). Data source: Europol.

D) Asset Recovery Offices (ARO). Data source: Europol.

E) Europol Information System (EIS). Data source: Europol.

F) Passenger Name Record (PNR). Data source: Council/Member States.

<sup>30</sup> COM(2018) 302 final of 16.5.2018.

<sup>31</sup> [https://ec.europa.eu/info/sites/info/files/communication\\_-\\_a\\_european\\_roadmap\\_to\\_lifting\\_coronavirus\\_containment\\_measures\\_0.pdf](https://ec.europa.eu/info/sites/info/files/communication_-_a_european_roadmap_to_lifting_coronavirus_containment_measures_0.pdf)

<sup>32</sup> Not available. The Prüm Decision foresees that information on implementation is submitted to the Council. The Secretariat General of the Council will collect the 2020 data from Member States and produce an overview in Q3 of 2021.

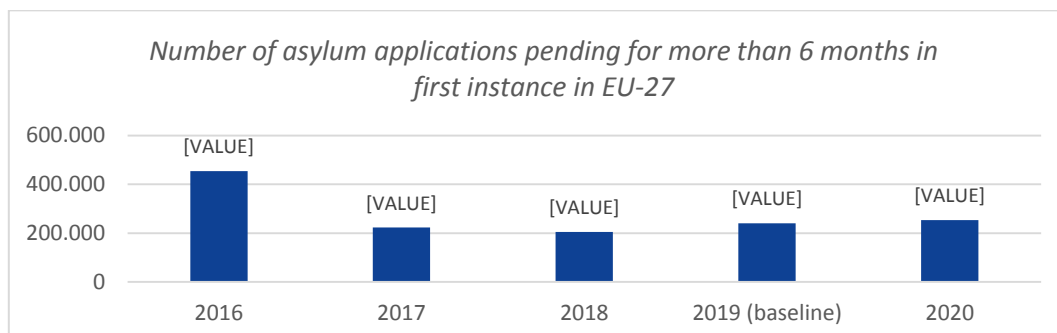
<sup>33</sup> The baseline in the 2020-2024 Strategic Plan of 1 100 000 has been updated to 1 244 000.

<sup>34</sup> The baseline in the 2020-2024 Strategic Plan of 4 000 000 has been updated to 7 489 400 as 2019 was the first year when Europol reported QUEST searches together with the searches performed directly in EIS. For the duration of the Strategic Plan this way of reporting will remain unchanged.

<sup>35</sup> The deadline for transposing the PNR Directive was 25.5.2018; no data available before that date.

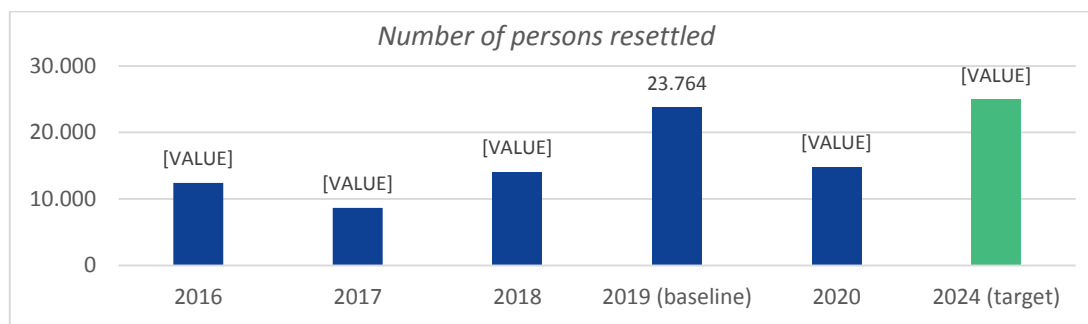
**Key performance indicator 2:** *An effective asylum policy, measured by number of asylum applications pending for more than 6 months in first instance (result indicator 2.1).*

At the end of 2020, 253 860 applications had been pending for more than 6 months in EU-27, which is about 13 500 more than at the end of 2019. **The objective is to reduce the number of pending cases till 2024.**<sup>36</sup>



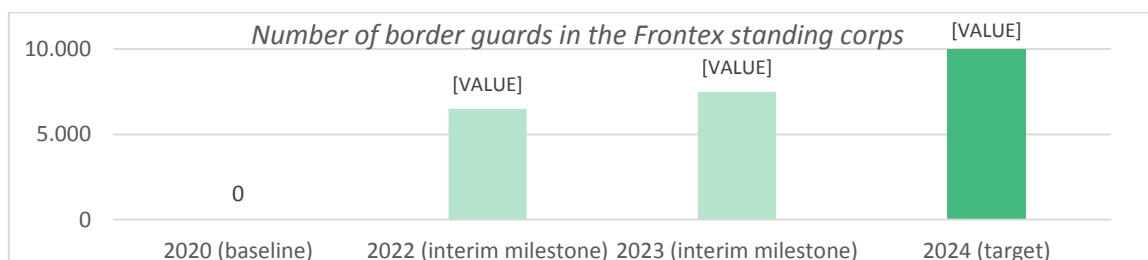
**Key performance indicator 3:** *Genuine legal pathways available, measured by number of persons resettled (result indicator 2.3).*

This indicator shows the number of persons who arrive yearly in the Member States via resettlement under EU schemes<sup>37</sup>. In 2020, good progress was made despite very difficult circumstances and disruptions caused by the Covid-19 pandemic. With the New Pact on Migration and Asylum, the number of resettlements is expected to be further scaled up in the years to come.



**Key performance indicator 4:** *A well-protected external border, measured by the gradual establishment of the European Border and Coast Guard standing corps (result indicator 3.1).*

This indicator measures the establishment of a standing corps by Frontex and the Member States, as required by Regulation (EU) 2019/1896 on the European Border and Coast Guard. The baseline for 2020 is zero border guards in the standing corps.



<sup>36</sup> Data source for KPI 2: European Asylum Support Office. The baseline in the 2020-2024 Strategic Plan referred to EU-27+ (including Norway and Switzerland). This has been updated, and only the EU Member States are included in this chart.

<sup>37</sup> Data source for KPI 3: The Asylum, Migration and Integration Fund Programme Statement, based on Member States' Annual Accounts for the financial year 2020 (16.10.2019–15.10.2020). The baseline in the 2020-2024 Strategic Plan referred to the calendar year. The baseline has now been adapted and aligned with the Programme Statement of the Asylum, Migration and Integration Fund.

**Key performance indicator 5:** *Overall risk at closure* (indicator 1 for ‘sound financial management’). This indicator illustrates that resources have been used in accordance with the principles of sound financial management, and that cost-effective controls are in place that give the necessary guarantees concerning the legality and regularity of underlying transactions. The estimated risk at closure for 2020 was 1.33%, which is well below the target for 2024 of under 2%.

### **C. Key conclusions on Financial management and Internal control (executive summary of section 2.1)**

In accordance with the governance arrangements of the European Commission, (the staff of) DG HOME conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

To ensure the achievement of policy and management objectives, the Commission has adopted a set of internal control principles, based on international good practice. The financial regulation requires that the organisational structure and the internal control system used to implement the budget be set up in accordance with these principles. DG HOME has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified. Please refer to section 2.1.3 for further details.

In addition, DG HOME has systematically examined the available control results and indicators, including those for supervising entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated, and necessary improvements and reinforcements are being implemented. The Director-General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance, albeit qualified by the following reservations:

- 1) Shared management – Reservation concerning SOLID funds 2007–2013 in several Member States.
- 2) Shared management – Reservation concerning AMIF and ISF 2014–2020 in several Member States.
- 3) Centralised Direct Management.
- 4) Decentralised agencies: Reservation on reputational grounds related to weaknesses identified in the effective implementation of Frontex’ new mandate in accordance with good governance and the requirements of the EBCG Regulation.

## D. Provision of information to the Commissioner

In the context of the regular meetings during the year between the Director-General and the Commissioner on management matters, the main elements of this report and assurance declaration, including the reservations envisaged, have been brought to the attention of Commissioner Johansson, responsible for Home Affairs.



## E. Specific actions on Covid-19

In 2020, Europe was strongly impacted by the Covid-19 pandemic. The Commission has proposed a strong and coordinated response to the health crisis as well as to the impact on Europe's economy and society. Covid-19 has also posed challenges as regards performance, control, audit and assurance in relation to the 2020 EU budget. In an exercise coordinated at corporate level, all Commission services have promoted the consistent and rigorous protection of the EU budget ensuring that appropriate mitigating measures were put in place.

From the start of the pandemic, DG HOME worked closely with other Commission services and with the Member States to ensure a coordinated EU response by **minimising the impact on free movement**, while at the same time increasing transparency and predictability for citizens and businesses.

DG HOME prepared several communications, recommendations and guidelines adopted by the Commission, relating among others to **temporary travel restrictions** on non-essential travel to the EU<sup>38</sup>, and to **restoring the freedom of movement** and lifting internal border controls<sup>39</sup>. DG HOME also prepared the Commission guidance for a phased and coordinated **resumption of visa operations**<sup>40</sup> and for the implementation of relevant EU provisions in the area of **asylum and return procedures, and on resettlement**<sup>41</sup>.

The Covid-19 pandemic was a challenge also for **financial management** since implementation of projects got hindered and financing agreements required extension. An unprecedented number of amendments was processed swiftly thanks to a smooth adjustment to electronic signatures.

All six **Agencies** in the area of Migration and Home Affairs faced pandemic-related disruptions to their operations, albeit to a different extent, which slowed their budget implementation, particularly in the first half of 2020. DG HOME, as partner DG, closely monitors their budget implementation.

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<sup>38</sup> COM(2020) 115 final of 16.3.2020; prolonged three times based on the Communications adopted by the Commission COM(2020) 148 final of 8.4.2020; COM(2020) 222 final of 8.5.2020 and COM(2020) 399 final of 11.6.2020.

<sup>39</sup> C(2020) 3250 final of 13.5.2020.

<sup>40</sup> C(2020) 3999 final of 11.6.2020.

<sup>41</sup> C(2020) 2516 final of 16.4.2020.

## 1. Key results and progress towards the achievement of the Commission's general objectives and DG's specific objectives

In 2020, DG HOME continued to work towards its vision of an open and secure Europe, by developing EU-level rules, monitoring their implementation and giving support on the ground. This Activity Report provides an overview of DG HOME's main achievements.

A number of initiatives were put forward by DG HOME in line with its 2020 Management Plan. These initiatives form the basis for achieving the objectives as set in the 2020–2024 Strategic Plan. DG HOME's activities contribute mainly to the Commission's General Objective 5, *Promoting our European way of life*, divided on four Specific Objectives:

| Promoting our European Way of Life    |                                                            |                                                  |                                                    |
|---------------------------------------|------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| <b>Strengthened Internal Security</b> | <b>An effective asylum and migration management policy</b> | <b>A fully functioning area of free movement</b> | <b>Stronger cooperation with partner countries</b> |

The list of deliverables relating to the Specific Objectives are detailed in Annex 2. Indicators that come from the Programme Statements for the Asylum, Migration and Integration Fund and the Internal Security Fund<sup>42</sup> are drawn from the Annual Implementation Reports submitted by the Member States.

### General Objective: Promoting our European way of life

#### Specific objective 1: Strengthened Internal Security

The management of migration flows and security threats represents a challenge which cannot be dealt with by the Member States acting alone. In line with its Strategic Plan, DG HOME contributed in 2020 to protect Europeans by filling-in the gaps in our approach to internal security and by addressing the new threats we face. Following intense preparatory work in the first 6 months of the year, the Commission adopted the EU **Security Union Strategy**<sup>43</sup> in July, including the specific Home Affairs related contribution the **New Way Forward on Internal Security**.

*'With today's Security Union Strategy, we focus on areas where the EU can make a difference in protecting people throughout Europe, anticipating and tackling evolving threats.'*

Commissioner Johansson  
24 July 2020

In the field of Internal Security, the Strategy focuses on three priority areas where **transnational cooperation and coordination** between law enforcement authorities are essential to successfully prevent and fight crimes: 1) fighting organised crime, 2) fighting terrorism and radicalisation and 3) fighting crimes in a digital age. Funding to implement the planned actions was negotiated with the support of DG HOME within the Multiannual Financial Framework for 2021–2027<sup>44</sup>.

<sup>42</sup> The programmes statements for AMIF and ISF are included in the Working Document Part I *Programme Statements of operational expenditure* annexed to the Draft General Budget of the European Union.

<sup>43</sup> COM(2020) 605 final of 24.7.2020.

<sup>44</sup> € 1.7 billion (in 2018 prices), which is € 500 million more than in 2014–2020 and in the case of agencies, an increase around € 400 million to € 1.32 billion (in 2018 prices) compared to the Multiannual Financial Framework 2014–2020.

To step up the work on internal security and the fight against **organised crime**, DG HOME launched initiatives on several fronts. Three initiatives were adopted together with the Security Union Strategy: a proposal on a **new EU Agenda and Action Plan on Drugs**<sup>45</sup> with the main objective to protect citizens through better coordinated actions addressing the consequences of drugs trafficking and impacts of drugs on public health in the EU; a new **EU Action Plan on firearms trafficking**<sup>46</sup> with strong measures to increase pressure on criminals and improve international cooperation; and an **EU Strategy for a more Effective Fight against Child Sexual Abuse**<sup>47</sup>, which was part of the 2020 Commission Work Programme, and addresses the dramatic increase in detected cases of child sexual abuse in recent years and during the Covid-19 pandemic.

As of 21 December 2020, certain online communication services fall under the scope of the e-Privacy Directive<sup>48</sup>. DG HOME, together with DG CNECT, prepared the Commission proposal for an **interim Regulation**<sup>49</sup> to ensure that providers of online communications services can continue to detect and report child sexual abuse online and remove child sexual abuse material.

The New Way Forward was supported by a pre-launch, **external communication** campaign emphasising the existing cooperation at EU level in the area of security, and the importance of continued collaboration, also in the context of the pandemic. For the launch, a social media campaign under *#securityEU* focused on the new strategies on firearms, trafficking in human beings and drugs. A comprehensive press package was provided with factsheets, infographics and a technical briefing.



During the year, dedicated Twitter campaigns @EUHomeAffairs were carried out to draw attention to policy priorities and build understanding of required progress on security files, taking advantage of 'hooks' such as the European Day on the Protection of Children against

Sexual Exploitation and Sexual Abuse and UN World Day Against Trafficking in Persons.

DG HOME launched the process for revising the **mandate of the European Monitoring Centre for Drugs and Drug Addiction** by preparing an impact assessment underpinning a future proposal for revision. The Centre launched its annual **European Drug Report**<sup>50</sup> in September, which takes into account the impacts of the Covid-19 pandemic on drug markets, drug use and the ability of European countries to provide help and support to those with drug problems. Despite the difficult working circumstances, the Scientific Committee of the Centre prepared a risk assessment for three new psychoactive substances.<sup>51</sup>

<sup>45</sup> COM(2020) 606 final of 24.7.2020.

<sup>46</sup> COM(2020) 608 final of 24.7.2020.

<sup>47</sup> COM(2020) 607 final of 24.7.2020. In this field, DG HOME contributed also to the DG CONNECT Regulation enabling temporary continuation of the processing of electronic communications necessary for detection, reporting and removal of child sexual abuse online (COM(2020) 568 final of 10.9.2020).

<sup>48</sup> Directive 2002/58/EC of 12.7.2002.

<sup>49</sup> COM(2020) 568 final of 10.9.2020.

<sup>50</sup> [https://www.emcdda.europa.eu/edr2020\\_en](https://www.emcdda.europa.eu/edr2020_en)

<sup>51</sup> Isotonitazene was added to the definition of 'drug' in November 2020 through delegated Regulation (EU) 2019/1687. The delegated Regulation (C(2021) 1570) to add MDMA-4en-PINACA and 4F-MDMB-BICA was adopted by the Commission in March 2021.

The EU has been coordinating activities to counter **firearms trafficking** for several years, but new threats have emerged that demand new action. The new **Action Plan**<sup>52</sup> focuses on four priorities: reducing the risks of diversion of firearms from the legal to the black market; improving knowledge of the threat; ensuring comparable statistics among others on firearms seizures across the EU; reinforcing law enforcement and stepping up international cooperation, with a strong set of activities focussing on south-east Europe.



The confiscation of criminal proceeds is an essential component in the fight against organised crime, since it deprives criminals of their financial gains and ensures that crime does not pay. The Commission adopted in June a DG HOME **Report on Asset Recovery and Confiscation**<sup>53</sup>, which concluded that applicable legislation has led to substantive progress in the Member States' asset recovery frameworks, and indicated that DG HOME as a next step will assess the potential for greater harmonisation of the EU asset recovery regimes, which may result in a modernisation of the legislation.

DG HOME's activities against **trafficking in human beings** continued in 2020, including coordination with relevant networks<sup>54</sup>, international organisations and EU institutions. The **two studies**<sup>55</sup> published to mark the EU Anti-trafficking day further highlight the need for assistance and support to victims, taking into account the gender and child specificity of the crime. The findings of the Third report on the progress made in the **fight against trafficking in human beings**<sup>56</sup> and the complementing Data study<sup>57</sup> indicated that trafficking has not diminished but evolved within the EU and new risks have arisen. Extensive targeted consultations were carried out, towards a new EU strategy against trafficking in human beings.

DG HOME was the penholder for the anti-corruption pillar of the Commission's first EU-wide **Rule of law report**<sup>58</sup>, in which eight<sup>59</sup> Member States received Country-Specific Recommendations related to corruption based on the input DG HOME provided to the respective European Semester Country Reports in 2019. The Commission adopted in December a Communication on the review of the EU under the Implementation Review Mechanism of the United Nation Conventions against Corruption, indicating that the EU should announce that it is ready for the launch of its review process as soon as possible.

DG HOME took in 2020 various initiatives to strengthen the implementation of the EU legal framework in the area of **counter-terrorism**. In June, the Commission adopted

<sup>52</sup> COM(2020) 608 final, 24.7.2020.

<sup>53</sup> COM(2020) 217 final, 2.6.2020.

<sup>54</sup> National rapporteurs and equivalent mechanism; EU Civil Society Platform against trafficking in human beings; Coordination group of ten EU agencies.

<sup>55</sup> Study on Reviewing the functioning of Member States' national and transnational referral mechanisms ([https://ec.europa.eu/anti-trafficking/sites/antitrafficking/files/study\\_on\\_reviewing\\_the\\_functioning\\_of\\_member\\_states\\_national\\_and\\_transnational\\_referral\\_mechanisms.pdf](https://ec.europa.eu/anti-trafficking/sites/antitrafficking/files/study_on_reviewing_the_functioning_of_member_states_national_and_transnational_referral_mechanisms.pdf)); Study on the economic, social and human costs of trafficking in human beings ([https://ec.europa.eu/anti-trafficking/sites/antitrafficking/files/study\\_on\\_the\\_economic\\_social\\_and\\_human\\_costs\\_of\\_trafficking\\_in\\_human\\_beings\\_within\\_the\\_eu.pdf](https://ec.europa.eu/anti-trafficking/sites/antitrafficking/files/study_on_the_economic_social_and_human_costs_of_trafficking_in_human_beings_within_the_eu.pdf))

<sup>56</sup> COM(2020) 661 final and SWD(2020) 226 final.

<sup>57</sup> Data collection on Trafficking in human beings in the EU (2020), [https://ec.europa.eu/anti-trafficking/sites/antitrafficking/files/study\\_on\\_data\\_collection\\_on\\_trafficking\\_in\\_human\\_beings\\_in\\_the\\_eu.pdf](https://ec.europa.eu/anti-trafficking/sites/antitrafficking/files/study_on_data_collection_on_trafficking_in_human_beings_in_the_eu.pdf)

<sup>58</sup> COM(2020) 580 final of 30.9.2020.

<sup>59</sup> Bulgaria, Croatia, Cyprus, Czechia, Hungary, Italy, Malta and Slovakia. Furthermore, a reference to the fight against corruption is included for both Romania and Greece.

guidelines<sup>60</sup> drafted by DG HOME to assist national authorities, businesses and online marketplaces to implement the rules on chemicals that could be misused to manufacture homemade explosives ('explosives precursors'). In September, a report the transposition of the Directive on combating terrorism<sup>61</sup> was adopted, assessing the measures that Member States have taken to comply with EU rules. These rules are the main criminal justice instrument at the EU level to counter terrorism.

Faced, at the end of 2020<sup>62</sup>, with stark reminders of our fragile security landscape and vulnerabilities, the next major step forward relating to terrorism and radicalisation was taken in December, when the Commission adopted DG HOME's proposal for a **Counter-Terrorism Agenda for the EU**<sup>63</sup>. Building on the work done in recent years, the Agenda sets out the way forward for actions to counter terrorism at EU level to better anticipate, prevent, protect and respond to terrorist threats. The Agenda was promoted through classical media, as well as via factsheets and video animations.



DG HOME has also continued supporting **interinstitutional negotiations** on legislative initiatives that were already in the legislative process at the beginning of the year. This led among others to a political agreement in December between the European Parliament and the Council on the proposal from 2018 for a Regulation on preventing the dissemination of **terrorist content online**<sup>64</sup>. The Regulation, expected to be adopted in 2021, would ensure that online platforms play a more active role in detecting terrorist content online and that such content is removed within a maximum of 1 hour. This would contribute to deny terrorists the means and space to plan, finance and carry out attacks. To measure progress, the **number of victims of terrorist attacks** is used as an impact indicator in the 2020–2024 Strategic Plan. In 2019, which is the most recent data available at the time of the publication of this report, 10 people died as a result of terrorist attacks and 27 people were injured (compared to 32 deaths and 157 people injured in 2017).<sup>65</sup>

As action at national level alone does not suffice to address the transnational security challenges, Member States' law enforcement authorities have increasingly made use of the support and expertise that Europol offers to counter organised crime and terrorism<sup>66</sup>. The Commission therefore adopted the proposal to strengthen **Europol's mandate**<sup>67</sup> – as included in the 2020 Commission Work Programme – to allow the Agency to better support national law enforcement authorities with information, analysis and expertise, and to facilitate cross-border police cooperation and terrorism-related investigations. The revision of the mandate goes with a budget increase of around € 180 million and 160 additional staff over the budgetary period 2022–2027.

<sup>60</sup> OJ C 210, 24.6.2020, p. 1.

<sup>61</sup> COM(2020) 619 final of 30.9.2020.

<sup>62</sup> As witnessed in the Vienna attack of 2 November, Nice attack of 29 October and Paris attack of 16 October 2020.

<sup>63</sup> COM(2020) 795 final of 9.12.2020.

<sup>64</sup> COM(2018) 640 final of 12.9.2018.

<sup>65</sup> Datasource: Europol's EU Terrorism Situation & Trend Report (Te-Sat).

<sup>66</sup> 1 266 233 messages exchanged through Europol's secure system SIENA; 10 231 322 searches performed in the Europol Information System.

<sup>67</sup> COM(2020) 796 final of 9.12.2020.



Europol supports a global operation on a drug and money-laundering criminal syndicate, 27 November 2020.

Together with the proposal to strengthen Europol's mandate, the Commission also adopted DG HOME's proposal enabling Europol to issue alerts in the Schengen Information System (SIS) on the basis of **third country sourced information**<sup>68</sup>, in particular, to detect foreign terrorist fighters.

As foreseen in the 2020 Commission Work Programme, DG HOME prepared the Commission proposal for a Directive on the **resilience of critical entities**<sup>69</sup> adopted in December. The aim of the Directive is to enhance the resilience of essential services in sectors that underpin the livelihoods of European citizens and the good functioning of the internal market.

#### Protection of places of worship and other public spaces in 2020<sup>70</sup>



€ 20 million

9 transnational projects on the protection of places of worship belonging to faith communities, protection of public spaces and of threats by detection dogs.

€ 3 million

1 transnational project to test solutions countering possible threats posed by drones.

DG HOME contributed to the Annual Sustainable Growth Strategy, which set out the strategic guidance for the implementation of the **Recovery and Resilience Facility**, and the accompanying Guidance to Member States on the drafting of their national plans. DG HOME ensured that internal security was reflected in these documents, notably that references were made to the need for robust anti-corruption frameworks and for resilience of critical infrastructure. Also, DG HOME contributed to assessing Member States' draft Recovery and Resilience plans on those aspects.

The initiatives proposed by DG HOME during the year build on a big number of **targeted consultations** with stakeholders, which were part of the impact assessments prepared for new legislative initiatives, both for those presented during the year, and for the ones that are ongoing (Critical infrastructure, Europol mandate, Advance Passenger Information).

**Negotiations on the EU-UK future relationship** relating to law enforcement and judicial cooperation on criminal matters – and also on the mobility of persons and on cooperation in irregular migration – started in March with DG HOME's involvement, and they were finalised on 24 December. DG HOME was closely involved in the negotiation of the chapter on law enforcement and judicial cooperation, which enables close cooperation on security to the benefit of citizens of both the EU and the UK.

DG HOME is closely associated to the European Digital Strategy. A study on the technical requirements for data spaces in law enforcement was finalised in June<sup>71</sup>. Its findings shall

<sup>68</sup> COM(2020) 791 final of 9.12.2020.

<sup>69</sup> COM(2020) 829 final of 16.12.2020.

<sup>70</sup> Internal Security Fund-Police: projects selected for funding in 2020 under two calls for proposals published under the 2020 Annual Work Programme).

<sup>71</sup> Study on a data space in law enforcement: <https://op.europa.eu/en/publication-detail/-/publication/0d02ee25-6c19-11eb-aeb5-01aa75ed71a1/language-en>.

underpin DG HOME's initiative of creating a dedicated **European Security Data Space in law enforcement**, to be partially financed under the Digital Europe Programme. In addition, in 2020, DG HOME established an expert group on Artificial Intelligence in the domain of home affairs, with the purpose of building a community in this field.

The EU continues to **fund research for security** via Horizon 2020. After completion of the evaluation process carried out by the Research Executive Agency, DG HOME awarded 30 grants with an EU contribution of € 201.2 million. Furthermore, the Home Affairs Agencies relations to the security research programme is being further structured by preparation of dedicated Terms of Reference that specify their role in the overall EU funded security research cycle. The Commission signed a first **Terms of References with Frontex**<sup>72</sup> in February. Furthermore, DG HOME significantly contributed to the establishment of the EU Innovation Hub for Internal Security<sup>73</sup>, which started to meet in late autumn 2020. DG HOME is co-chair of the Hub's Steering Group.

DG HOME also worked to ensure that existing legislation in the area of internal security is properly **enforced and implemented**, focusing on priority areas where the EU supports Member States in fostering security for all citizens, such as the use of passenger name record data for the prevention, detection, investigation and prosecution of terrorist offences and serious crime<sup>74</sup>. Infringement procedures also continued for failure to notify national transposition measures for two pieces of legislation in the area of drugs<sup>75</sup> and police cooperation<sup>76</sup>. The Commission also pursued infringements against Member States which have not ensured the full transposition of the implementing directives on firearms<sup>77</sup>.

Security policies and tools at EU-level are regularly evaluated to ensure the relevance, efficiency, coherence and EU added value of relevant activities. Therefore, a Staff Working Document on the **implementation of the internal security policy**<sup>78</sup> was adopted in July.

The activities under the Specific Objective of *Strengthened Internal Security* contributes to the United Nations' **Sustainable Development Goal 16**<sup>79</sup>, aiming to tackle terrorism and prevent radicalisation, disrupt organised crime, fight cybercrime, and fight corruption, financial crime, counterfeiting crime and trafficking in human beings and firearms.

## Specific objective 2: An effective asylum and migration management policy

As defined in its Strategic Plan and based on the political agenda of President von der Leyen<sup>80</sup>, DG HOME was the main service that worked on the **New Pact on Migration and Asylum**, adopted by the Commission in September 2020, and prepared the legislative initiatives which accompanied the Pact. The legislative proposals build on progress made in

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<sup>72</sup> [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/20200206\\_tor-ec-dg-home-frontex.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/20200206_tor-ec-dg-home-frontex.pdf)

<sup>73</sup> The EU Innovation Hub for Internal Security aims at providing a joint EU platform to support the innovation labs of EU Agencies, Member States, the Joint Research Centre of the European Commission and other relevant entities in the delivery of innovative cutting-edge products for the security of citizens in the EU, with a focus on internal security and fostering synergies in driving innovation.

<sup>74</sup> Directive (EU) 2016/681 of 27.4.2016.

<sup>75</sup> Directive (EU) 2017/2103 of 15.11.2017; and Directive (EU) 2019/369 of 13.12.2018.

<sup>76</sup> Council Framework Decision 2009/905/JHA of 30.11.2009 on accreditation of forensic service providers.

<sup>77</sup> Directive (EU) 2019/68 of 16.1.2019; and Directive (EU) 2019/69 of 16.1.2019.

<sup>78</sup> SWD(2020) 135 final of 9.7.2020.

<sup>79</sup> United Nations Sustainable Development Goal 16: Peace, Justice and Strong Institutions – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

<sup>80</sup> [https://ec.europa.eu/info/sites/info/files/political-guidelines-next-commission\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/political-guidelines-next-commission_en_0.pdf)

the field of migration and asylum since 2016, and takes into consideration recommendations following numerous consultations of national and local authorities, EU institutions, non-governmental and international organisations, as well as think tanks and academia.

The Pact responds to the need for structural reform of EU migration policy, making sure it can address current and future challenges, while fully respecting European values and fundamental rights. It covers all of the different elements needed for a **comprehensive European approach** to migration management based on **fair sharing of responsibility and solidarity**.

*'This set of proposals will mean clear, fair and faster border procedures, so that people do not have to wait in limbo. It means enhanced cooperation with third countries for fast returns, more legal pathways and strong actions to fight human smugglers. Fundamentally it protects the right to seek asylum'*

Commissioner Johansson  
23 September 2020

The Pact consists of a Communication<sup>81</sup> and a package of nine instruments:

- a Regulation introducing a **screening of third country nationals** at the external borders<sup>82</sup>;
- an amended proposal revising the **Asylum Procedures** Regulation<sup>83</sup>;
- an amended proposal revising the **Eurodac** Regulation<sup>84</sup>;
- a new **Asylum and Migration Management** Regulation<sup>85</sup>, which sets out a new solidarity mechanism which will ensure that all Member States contribute to the needs of Member States that face migratory pressure or following search and rescue operations;
- a new Regulation addressing situations of **crisis and force majeure**<sup>86</sup> in the field of migration and asylum;
- a new **Migration Preparedness and Crisis Blueprint**<sup>87</sup> to build resilience and preparedness to organise a coordinated response to a migration crisis;
- a new Recommendation on **Resettlement** and complementary pathways<sup>88</sup>;
- a new Recommendation on **Search and Rescue** operations by private vessels<sup>89</sup>;
- new Guidance on the **Facilitators** Directive<sup>90</sup>.

An **Evidence document**<sup>91</sup> was also presented, detailing the evidence and experience that underpin the legislative initiatives proposed under the Pact.

Following the adoption of the Pact, DG HOME immediately started to support the **interinstitutional negotiations** and held a number of political and technical meetings with the European Parliament and the Member States. In addition, DG HOME continued supporting the interinstitutional negotiations on the interlinked pending legislative

<sup>81</sup> COM(2020) 609 final of 23.9.2020.

<sup>82</sup> COM(2020) 612 final of 23.9.2020.

<sup>83</sup> COM(2020) 611 final of 23.9.2020.

<sup>84</sup> COM(2020) 614 final of 23.9.2020.

<sup>85</sup> COM(2020) 610 final of 23.9.2020.

<sup>86</sup> COM(2020) 613 final of 23.9.2020.

<sup>87</sup> C(2020) 6469 final of 23.9.2020.

<sup>88</sup> C(2020) 6467 final of 23.9.2020.

<sup>89</sup> C(2020) 6468 final of 23.9.2020.

<sup>90</sup> C(2020) 6470 final of 23.9.2020.

<sup>91</sup> SWD(2020) 207 final of 23.9.2020.

proposals from the previous Commission mandate: the recast **Return Directive**<sup>92</sup>, the **Qualification Regulation**<sup>93</sup>, the **Reception Conditions Directive**<sup>94</sup>, the **Union Resettlement Framework**<sup>95</sup>, the **Regulation on the European Union Asylum Agency**<sup>96</sup> and the **Blue Card Directive**<sup>97</sup>.

As announced in the Pact, a **Public Consultation**<sup>98</sup> on the future of legal migration was conducted, aimed at identifying further areas where the existing EU framework could be improved and at collecting new ideas to boost the EU's attractiveness to foreign talents, facilitate skills matching, and better protect third-country workers from exploitation.

DG HOME also continued to monitor Member States' **implementation of EU migration and asylum law**, in particular the Asylum Procedures Directive<sup>99</sup>, the Reception Conditions Directive<sup>100</sup>, the Asylum Qualification Directive<sup>101</sup>, the Return Directive<sup>102</sup> and the Students and Researchers Directive<sup>103</sup>. Two important judgments of the European Court of Justice were delivered in **infringement proceedings** initiated by the Commission with the support of DG HOME, relating to Czechia, Hungary and Poland on the relocation of applicants for international protection from Greece and Italy<sup>104</sup>, and on Hungary on restricting access to international protection and unlawfully detaining applicants in transit zones<sup>105</sup>.



Targeted **external communication** campaigns accompanied the Pact:

- To prepare the launch: awareness raising on Twitter @EUHomeAffairs through positive corporate messaging targeting the general public.
- Preceding the adoption: audio-visuals illustrating the broad consultation process.
- For the adoption: an information campaign on social media *10 things you need to know about the New Migration Pact*; a comprehensive set of press materials; a new web landing page<sup>106</sup>; and new statistics web page to support fact-based migration policy<sup>107</sup>;
- Following the launch, communication efforts targeting all audiences (general public, stakeholders).

Looking at the situation on the ground, the EU as a whole registered in 2020 a 6-year low in irregular **border crossings**.<sup>108</sup> The number of asylum applications decreased also by

<sup>92</sup> COM(2018) 634 final of 12.9.2018

<sup>93</sup> COM(2016) 466 final of 13.7.2016.

<sup>94</sup> COM(2016) 465 final of 13.7.2016.

<sup>95</sup> COM(2016) 468 final of 13.7.2016.

<sup>96</sup> COM(2018) 633 final of 12.9.2018.

<sup>97</sup> COM(2016) 378 final of 7.6.2016.

<sup>98</sup> [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/pdf/final\\_legal\\_migration\\_analysis\\_report\\_dr-02-21-094-en-n.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/pdf/final_legal_migration_analysis_report_dr-02-21-094-en-n.pdf)

<sup>99</sup> Directive 2013/32/EU of 26.6.2013.

<sup>100</sup> Directive 2013/33/EU of 26.6.2013.

<sup>101</sup> Directive 2011/95/EU of 13.12.2011.

<sup>102</sup> Directive 2008/115/EC of 16.12.2008.

<sup>103</sup> Directive (EU) 2016/801 of 11.5.2016.

<sup>104</sup> Joined Cases C-715/17, C-718/17 and C-719/17.

<sup>105</sup> C-808/18.

<sup>106</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/new-pact-migration-and-asylum\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/new-pact-migration-and-asylum_en)

<sup>107</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/statistics-migration-europe\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/promoting-our-european-way-life/statistics-migration-europe_en)

<sup>108</sup> 125 113 in 2020 compared to 141 741 in 2019 and 1 822 102 during the migration crisis in 2015. Source: Frontex.

33%<sup>109</sup>. At the end of 2020, in total 765 655 applications for international protection were still under consideration by the national authorities. At the end of 2019, this figure was 928 890.<sup>110</sup>

A Migration Preparedness and Crisis Blueprint Network was set up in 2020. To further **improve preparedness**, DG HOME is exploring, together with its Agencies and Member States, how to develop a European approach for migration forecasting<sup>111</sup>.

As one of the aims of the Pact is to get more effective EU asylum procedures, ensuring that asylum applications from migrants of a certain nationality is treated in a similar way in different Member States – among others to avoid secondary movements – DG HOME uses the **impact indicator** *Convergence in recognition rates for asylum applicants* to measure progress. In 2020, we saw a positive development, as deviation decreased to 24% (compared to 28% in 2019).<sup>112</sup>

For the EU asylum system to be credible, **migrants with no right to stay** need to be returned. The rate of returns<sup>113</sup> to third countries decreased in 2020 to 17.6%<sup>114</sup> for EU-27 (compared to 29.0% in 2019). This is largely due to a series of difficulties faced by Member States in the implementation of returns due to the Covid-19 pandemic. To respond to this complex situation affecting returns, the Commission published a Covid-19 guidance document in April 2020<sup>115</sup>. Carrying out returns is first and foremost the responsibility of the **Member States** that should use all available instruments to their full potential. At the same time, the willingness of **third countries** to accept returning citizens is crucial. The New Pact on Migration and Asylum paves the way for a **common EU system for return**, which combines stronger structures inside the EU with more effective cooperation with third countries and a sustainable voluntary return and reintegration strategy. Return sponsorships – a new form of solidarity contribution that Member States can use to assist each other – will form part of the system.

In 2020, DG HOME provided support to **increase the return rate**. In addition to pushing for the adoption of proposed legislation, DG HOME supported the implementation of Frontex' stronger mandate on returns, and worked to improve cooperation with key countries of origin. DG HOME also worked on a continuous basis with Member States readmission practitioners and European Migration Liaison Officers to build and transfer good practices on readmission processes, and give operational support to Member States. The Asylum, Migration and Integration Fund contributed to the implementation of the return strategies by providing Member States with necessary assistance in different areas, such as: increasing detention capacity, improving its conditions, and in some cases covering the

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<sup>109</sup> 471 630 in 2020 compared to 698 760 in 2019 and 1 282 690 in 2015.

<sup>110</sup> Data source: Eurostat. This figure refers to the total number of pending asylum applications, while Key Performance Indicator 2 relates to asylum applications pending for more than 6 months in first instance.

<sup>111</sup> Feasibility study on a forecasting and early warning tool for migration based on Artificial Intelligence technology. <https://op.europa.eu/en/publication-detail/-/publication/946b0bc7-7006-11eb-9ac9-01aa75ed71a1/language-en>

<sup>112</sup> Data source: Eurostat.

<sup>113</sup> The rate of effective return measures the % of effected returns to third countries compared to return decisions issued by the Member States. Data source: Eurostat.

<sup>114</sup> Data from Denmark pending at the time of publication of this report.

<sup>115</sup> C(2020) 2516 final of 16.04.2020 on Covid-19: Guidance on the implementation of relevant EU provisions in the area of asylum and return procedures and on resettlement.

costs of return operations. Evidence-based policy-making among others in the field of returns will be facilitated by the amended migration statistics regulation<sup>116</sup> on which DG HOME worked closely with Eurostat, increasing the frequency and level of detail of information.



### Returns in 2020 with DG HOME funding

€ 120 million<sup>117</sup>

39 966 persons returned under shared management<sup>118</sup>.

Despite the severe restrictions due to the coronavirus pandemic, **Frontex** organised in the calendar year 2020, 232 return operations with charter flights, returning almost 8 000 persons to their countries of origin.<sup>119</sup> In addition, almost 4 000 persons (10% more than in 2019) were returned to 83 countries of origin<sup>120</sup> by scheduled flights increasing efficiency and reducing costs. 2020 saw the biggest ever return operation by air supported by Frontex with 168 persons on board. It is worth recalling that the Agency can only assist Member States to implement enforceable return decisions issued by national authorities.

On **resettlement**, good progress was made despite very difficult circumstances and disruptions caused by the Covid-19 pandemic. In total, 13 Member States welcomed 14 800 resettled migrants in 2020, mainly from Syria (about 9 000 persons), Sudan (1 200), and Eritrea, Somalia and the Democratic Republic of the Congo (about 1 000 each)<sup>121</sup>. Taking into account the success of the previous schemes and considering that the Recommendation on Resettlement (linked to the Pact) had not yet been adopted, a new **ad hoc resettlement scheme** was put in place for 2020–2021. Responding to the call, Member States collectively pledged almost 30 000 places. This generous pledge – going beyond initial expectations – confirms Member States’ commitment to scale up safe and legal pathways to protection. DG HOME revised a number of the Asylum, Migration and Integration Fund national programmes to provide **additional funding** for resettlements. The European Asylum Support Office and DG HOME held a series of meetings with Member States and various stakeholders in the resettlement and humanitarian admission network. In 2020, one of the priorities of these meetings was the response to the Covid-19 pandemic. In November, the network held its first meeting on community sponsorship in the EU. This work will continue in a dedicated working group in the coming years.

Via **voluntary relocations**, 13 Member States and three associated countries have offered (via pledges) a safe space in their countries for 5 250 unaccompanied minors, severely ill children together with their families, vulnerable persons and recognised refugees from Greece. DG HOME is in the forefront, coordinating the relocation exercise. The voluntary relocation scheme started in March 2020 following the dramatic events at the Greek-Turkish land border. Initially, 11 Member States had pledged to receive around 2 500 unaccompanied minors and minors with severe medical conditions and their core

<sup>116</sup> Regulation (EU) 2020/851 of 18.6.2020 on Community statistics on migration and international protection.

<sup>117</sup> Asylum, Migration and Integration Fund. Data source: Member States’ 2020 Accounts for the financial year 16.10.2019–15.10.2020.

<sup>118</sup> Data source: The Asylum, Migration and Integration Fund Programme Statement, based on Member States’ 2020 Annual Implementation Reports for the financial year 16.10.2019–15.10.2020.

<sup>119</sup> Compared to 330 return operations with charter flights returning 10 903 persons in 2019.

<sup>120</sup> 3 613 to 81 countries of origin in 2019.

<sup>121</sup> Data source: Member States’ Annual Accounts for the financial year 2020 (16.10.2019–15.10.2020).

family members. Following the fire at the Moria camp on 9 September 2020, two more Member States, as well as three associated countries joined the scheme. It was agreed to expand the scheme to vulnerable asylum seeking families, as well as beneficiaries of international protection. In 2020, 11 countries relocated 2 213 people, the remaining relocations, to fulfil the rest of the pledges, are taking place in 2021. Additionally, 30 vulnerable persons were also relocated from Cyprus in 2020. The relocations could proceed at a relatively steady pace despite Covid-related restrictions.

In the meantime, **voluntary relocations** following **disembarkation events** in the Central Mediterranean also continued, under DG HOME coordination. In 2020, nine Member States welcomed 793 asylum seekers disembarked in Italy and Malta, while more people are still waiting to be relocated. The relocation process was unfortunately slowed down in 2020 due to the restrictions linked to the pandemic, while private vessels (including Non-Governmental Organisations) have continued performing search and rescue operations and disembarking rescued migrants. In accordance with the New Pact on Migration and Asylum and its Recommendation on search and rescue operations by private vessels, DG HOME set up the first **European Contact Group on Search and Rescue**, which offers a platform for dialogue and cooperation among Member States and with other stakeholders.

The voluntary relocations clearly **show the added value of European action**, with receiving states participating voluntarily, EU Agencies providing support, the Commission coordinating, and over € 33 million EU funding supporting to put in place procedures for processing and relocation.

Relating to the **Covid-19** pandemic, DG HOME provided guidance on the implementation of relevant EU provisions in the area of asylum and return procedures and on resettlement<sup>122</sup>, as well as guidance on a phased and coordinated resumption of visa operations<sup>123</sup>.

With 8% of the EU population<sup>124</sup> being born in a country outside the Union, **integration** and inclusion are key for our societies. Following up on the Pact, DG HOME prepared for the adoption by the Commission a new **Action Plan on Integration and Inclusion 2021-2027**<sup>125</sup>, working closely with several other DGs in its preparation. While national governments are primarily responsible for the overall design of integration policies, with the new action plan the Commission stepped up the support to Member States and all other integration actors through increased funding, new practical tools, enhanced coordination and stronger partnerships. The Plan includes more than 50 new actions to promote integration and support key stakeholders, and is based on broad consultations<sup>126</sup>. In this context, DG HOME set up an expert group composed of migrants and organisations representing their interests to advise the Commission on policies in the

*"We will make sure that people who have the right to stay are integrated and made to feel welcome. They have a future to build – and skills, energy and talent."*

President von der Leyen,  
State of the Union Address 2020

<sup>122</sup> C(2020) 2516 final of 16.4.2020.

<sup>123</sup> C(2020) 3999 final of 11.6.2020.

<sup>124</sup> <https://ec.europa.eu/eurostat/databrowser/bookmark/c6a235aa-7e0f-4098-aff7-9465cff84d41?lang=en>

<sup>125</sup> COM(2020) 758 final of 24.11.2020.

<sup>126</sup> Results of the consultations can be found here: [https://ec.europa.eu/homeaffairs/sites/homeaffairs/files/summary/summary\\_of\\_consultations\\_in\\_view\\_of\\_the\\_action\\_plan\\_on\\_integration\\_and\\_inclusion.pdf](https://ec.europa.eu/homeaffairs/sites/homeaffairs/files/summary/summary_of_consultations_in_view_of_the_action_plan_on_integration_and_inclusion.pdf).

field of migration, asylum and integration. To prepare the ground for the adoption and communication of the Action plan, the Twitter campaign *Migrant Voices* featured members of the group expressing what integration and inclusion means for them, personifying and raising awareness of the need for an inclusive approach.

The 2020 Annual Work Programme of the Asylum, Migration and Integration Fund also promoted calls for proposals to support integration with about € 33 million, aiming to develop local integration strategies and access to basic services, to promoting safe legal pathways for persons in need of protection, and helping minors transition to adulthood.



€ 125 million<sup>127</sup>

### Integration and legal migration 2020

999 222 migrants benefiting from integration measures on national, local and regional level.<sup>128</sup>

Despite the decrease in number of irregular border crossings in 2020, several local communities received unexpected large numbers of arrivals, and DG HOME continued to support operationally the national authorities in Greece, Italy, Spain, Cyprus and, as of September, Malta. In 2020 alone, **Greece** has benefited from € 921 million from the AMIF and the ISF to support migration and border management and to improve the humanitarian situation, making it the biggest recipient of DG HOME funding. In connection to the **Covid-19** pandemic, € 25 million was allocated to DG HOME from the Emergency Support Instrument<sup>129</sup>, to enhance the medical capacity in the reception system in Greece and in hospitals affected by migration. The project will be implemented in 2021.



€ 100.8 million

€ 91.5 million

€ 115 million

### Examples of achievements in Greece with DG HOME funding<sup>130</sup>

28 500 migrants on the mainland got housing on 32 sites.

21 700 vulnerable asylum seekers could stay in apartments.

96 000 migrants got cash assistance.<sup>131</sup>

In 2020, **the population in the hotspots was significantly reduced**, going from 42 000 persons at the end of 2019, to about 15 000 at the end of 2020. This reduction is to a high degree the result of nearly 32 000 migrants being transferred from the islands to the mainland with the help of EU funding and coordination by DG HOME. 2 565 people used the Assisted Voluntary Return and Reintegration programme to return from Greece to their country of origin. Furthermore, with the support of the European Asylum Support Office, the country's delivery of first instance asylum decisions (positive and negative) increased by 90% in 2020 compared to 2019<sup>132</sup>.

<sup>127</sup> Asylum, Migration and Integration Fund. Data source: Member States' Annual Accounts for the financial year 2020 (16.10.2019–15.10.2020).

<sup>128</sup> Data source: Asylum, Migration and Integration Fund Programme Statement, based on Member States' Annual Implementation Reports for the financial year 2020 (16.10.2019–15.10.2020).

<sup>129</sup> Based on the Council Regulation 2020/521 of 14.4.2020 on activating the emergency support under Regulation (EU) 2016/368 and amending its provisions taking into account the Covid-19 outbreak.

<sup>130</sup> Asylum, Migration and Integration Fund support.

<sup>131</sup> Data source for all above: Annual accounts submitted by Greece for the financial year 2020 (16.10.2019–15.10.2020).

<sup>132</sup> Going from 32 700 in 2019 to 62 200 in 2020. Data source: Eurostat.

DG HOME also supported the implementation of measures to address the consequences of **Covid-19** on the migrant population including in the islands' Reception and Identification Centres, such as the **transfer of persons** vulnerable to the virus from the islands to the mainland and the **provision of medical equipment and healthcare**.

Following the fires that destroyed the **Moria Reception and Identification Centre** on the Greek island of Lesbos in September, the immediate priority was to provide shelter to the people affected and swiftly transferring the most vulnerable ones to the mainland. DG HOME acted immediately. It financed the transfer of the **406 unaccompanied minors** from Moria to the mainland, and the unaccompanied children on the other islands were moved to safety too. Thereafter, DG HOME awarded € 129 million in emergency assistance for the construction of three **new and improved Reception and Identification Centres** on Samos, Kos and Leros. The construction of such facilities is also foreseen on Lesbos and Chios with support of EU funding.

In addition, and in full agreement with the Greek authorities, the Commission set up a **Taskforce** based in DG HOME to support migration management in Greece. The Taskforce immediately started its work to implement a joint pilot with the Greek authorities to set up a new reception facility on Lesbos, and help ensure effective migration management. On 3 December, a **Memorandum of Understanding** was signed, setting out the respective responsibilities and areas of cooperation between the Commission, the Greek authorities and EU Agencies.

DG HOME has provided over € 70 million emergency assistance support to the **Spanish** authorities to manage the situation in the **Canary Islands** and increase its reception capacities, after this region experienced a ten-fold increase in the number of migrants arriving in 2020 (about 23 000), overwhelming its reception system.

DG HOME contributed to the preparation of the **Recovery and Resilience Facility**, with a view to ensuring that the migration policy area, notably the situation of vulnerable groups, was reflected in that instrument, referring to the need to further promote the integration of migrants in host societies. Also, DG HOME contributed to assessing Member States' draft Recovery and Resilience plans in the area of migration.

Following up on recommendations from the **European Court of Auditors**, DG HOME also works together with national authorities and Agencies to enhance the European Asylum Support Office's operational support to asylum procedures and to adjust Frontex' return support to the current situation and needs<sup>133</sup>.

The activities under the Specific Objective *an effective asylum and migration management policy* contributes to the United Nations' **Sustainable Development Goal 10**<sup>134</sup>, which calls for the facilitation of orderly and safe migration and mobility of people.

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<sup>133</sup> European Court of Auditors' Special Report 24/2019 *Asylum, relocation and return of migrants: Time to step up action to address disparities between objectives and results*.

<sup>134</sup> United Nations Sustainable Development Goal 10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

### Specific objective 3: A fully functioning area of free movement

In the efforts to achieve a fully functioning area of free movement without controls at internal borders, DG HOME supported in 2020 the roll-out of **Frontex' new strengthened mandate**, preparing for the deployment of the first teams of the European Border and Coast Guard **standing corps** as of January 2021.

This involved setting up detailed rules for the financial support to Member States, for them to increase their long-term capacity to contribute to

the standing corps. In addition, DG HOME drafted and processed a number of Commission opinions on several operational aspects of the standing corps and provided comments on a number of Management Board decisions (ranging from conditions for secondment to authorisation of statutory staff to carry and use weapons). The launch of the multiannual strategic policy cycle to steer the implementation of the European Integrated Border Management was postponed, among others due to the late submission of Frontex' Strategic Risk Analysis which has to feed into its preparation. As announced in the New Pact on Migration and Asylum, the Commission intends to launch that exercise in the first half of 2021.



DG HOME participated in the successfully concluded negotiations with the European Parliament and the Council on the reform of the **Visa Information System**<sup>135</sup>, which together with the Entry/Exit System and European Travel Information and Authorisation System will **strengthen border management and security** within the Schengen area.

In 2020, DG HOME prepared a significant number of secondary legislation necessary to enable the eu-LISA Agency to begin the design and development of the **new information systems** (Entry/Exit System and European Travel Information and Authorisation System) and their **interoperability**. DG HOME also scaled up the monitoring of Member States' and Agencies' implementation of these systems, including through the preparation of scoreboards registering progress as well as by organising the **High Level Forums** on implementation of the new architecture for EU information systems for borders, migration and security, which took place in May and October. An informal **Rapid Alert Process (RAP-IT)** has also been developed. It aims to support Member States by providing early warning and facilitate rapid response in a targeted manner.

The Internal **Security Fund–Borders and Visa** continued to support actions for an integrated and further harmonised border management system and a common visa policy.



€ 2.4 billion in  
2014–2020

#### IT systems for border management<sup>136</sup>

To increase the interoperability between IT  
systems<sup>137</sup>

<sup>135</sup> COM(2018) 302 final of 16.5.2018.

<sup>136</sup> Internal Security Fund-Borders & Visa.

<sup>137</sup> Data source: Member States' 2020 Accounts for the financial year 16.10.2019–15.10.2020.

The implementation of the new 5-year cycle for the **Schengen Evaluation and Monitoring Mechanism** started, aiming to evaluate how Member States apply key fields of the Schengen acquis and remedy any deficiencies. A report on the functioning of the previous cycle was published in November 2020<sup>138</sup>. It concluded that the Mechanism has brought about tangible improvements, but that there are still shortcomings, which may ultimately have an impact on the functioning of the Schengen area; ensuring a higher level of harmonisation will be key for the area to function properly. The report was discussed with Members of the European Parliament and Home Affairs Ministers in the first ever **Schengen Forum** of 30 November, as announced in the New Pact on Migration and Asylum. The discussions focused on building a stronger and more resilient Schengen area by fostering better cooperation, political dialogue and rebuilding trust. They also targeted the management of the EU's external borders and police cooperation, and will feed into the Schengen Strategy that the Commission intends to adopt in 2021.



Actions aiming to reinforce the controls at external borders reflect the commitment to **preserve the freedom of movement** within the Schengen area while ensuring the security of citizens. However, the decision to introduce border controls at internal borders belongs to the Member States: in 2020 six of them reintroduced intra-Schengen border controls based on security or migration reasons, and in total 17 Member States reintroduced internal border controls due to the Covid-19 pandemic (some used a combination of different reasons). **Lifting internal border controls** is a priority for the Commission. In her State of the Union address in September 2020<sup>139</sup>, President von der Leyen put Schengen high on the agenda, because of its tangible benefits for people in the EU.

DG HOME continued its efforts, including at the Schengen Forum, to persuade the Member States carrying out border controls for other reasons than containing the pandemic to also lift them in the near future.

**Covid-19** and the global pandemic had a pronounced effect on activities in 2020. In line with the **Joint European Roadmap**<sup>140</sup>, DG HOME



worked with the Member States and other services towards ensuring a *coordinated EU response* to the crisis and sharing of information among Schengen countries. In addition to a number of expert level videoconferences (33) and video meetings with Member States' Interior Ministers (8), the DG prepared several, communications, proposals, recommendations and guidelines for the adoption by the Commission to coordinate the response by Member States, relating to:

- **temporary travel restriction on non-essential travel to the EU**<sup>141</sup> to ensure consistent and appropriate action at the external border;
- guidelines for **border management measures** to protect health and ensure the free movement of goods and of essential services<sup>142</sup>;

<sup>138</sup> COM(2020) 779 final of 25.11.2020.

<sup>139</sup> [https://ec.europa.eu/info/sites/info/files/soteu\\_2020\\_en.pdf](https://ec.europa.eu/info/sites/info/files/soteu_2020_en.pdf)

<sup>140</sup> [https://ec.europa.eu/info/sites/info/files/communication\\_-\\_a\\_european\\_roadmap\\_to\\_lifting\\_coronavirus\\_containment\\_measures\\_0.pdf](https://ec.europa.eu/info/sites/info/files/communication_-_a_european_roadmap_to_lifting_coronavirus_containment_measures_0.pdf)

<sup>141</sup> COM(2020) 115 final of 16.3.2020; prolonged three times based on the Communications adopted by the Commission COM(2020) 148 final of 8.4.2020; COM(2020) 222 final of 8.5.2020 and COM(2020) 399 final of 11.6.2020.

- guidance on the implementation of the **temporary restriction on non-essential travel** to the EU, on the facilitation of transit arrangements for the repatriation of EU citizens, and on the effects on visa policy<sup>143</sup>, as well as guidance on persons exempted from the temporary restriction on non-essential travel to the EU<sup>144</sup> to assist this action at the external border;
- guidance on the implementation of relevant EU provisions in the area of **asylum and return procedures and on resettlement**<sup>145</sup>;
- guidance on a phased and coordinated **resumption of visa operation**<sup>146</sup>;
- a proposal for a Council Recommendation on the temporary restriction on **non-essential travel into the EU** to determine the third countries for which the restriction on is to be lifted<sup>147</sup>;
- a Communication on a phased and coordinated approach for **restoring freedom of movement and lifting internal border controls**<sup>148</sup>;
- a proposal for a Council Recommendation on a coordinated approach to the **restriction of free movement** in response to the Covid-19 pandemic<sup>149</sup>;
- **guidance to Member States on the persons and functions exempted from the temporary restriction on travel to the EU** as regards the implementation of Council Recommendation 2020/912 of 30 June 2020<sup>150</sup>; and
- a **coordinated approach** to travel and transport in response to the SARS-COV-2 **variant observed in the United Kingdom**<sup>151</sup>.

In 2020, allegations were voiced of illegal pushbacks that the **Frontex** deployed teams at the EU external borders would be involved in. While the Commission does not have the competence to investigate alleged misconduct of Member States' law enforcement authorities, **DG HOME is continuously monitoring reports on violations of fundamental rights** and is in close contact with Member States to encourage them to carry out the necessary investigations and to take action as appropriate. In the case of Frontex, Regulation (EU) 2019/1896 has reinforced the framework for monitoring the compliance with fundamental rights. The new Regulation requires the Frontex Management Board to appoint an independent **Fundamental Rights Officer**, supported by a Deputy Fundamental Rights Officer and 40 Fundamental Rights Monitors. DG HOME, as a member of the Frontex Management Board, took decisive action to ensure that the allegations made in 2020 were examined by a dedicated working group of the Management Board. To that end, it requested twice the organisation of an extraordinary Management Board Meeting that also served to step up the progress on reinforcing the Agency's fundamental rights infrastructure.

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<sup>142</sup> C(2020) 1753 final of 16.3. 2020.

<sup>143</sup> C(2020) 2050 final of 30.3.2020.

<sup>144</sup> COM(2020) 686 final of 28.10.2020.

<sup>145</sup> C(2020) 2516 final of 16.4.2020.

<sup>146</sup> C(2020) 3999 final of 11.6.2020.

<sup>147</sup> COM(2020) 287 final of 25.6.2020.

<sup>148</sup> C(2020) 3250 final of 13.5.2020.

<sup>149</sup> COM(2020) 499 final of 4.9.2020.

<sup>150</sup> COM(2020) 686 final of 28.10.2020.

<sup>151</sup> C(2020) 9607 final of 22.12.2020.



#### How are my free movement rights protected when travelling in the EU during the pandemic?

- ✓ You can travel from 'green' regions without any restrictions.
- ✓ You are always allowed to go back to your Member State of nationality or residence.
- ✓ You should not be discriminated against.
- ✓ Any measures restricting your free movement must be **proportionate**, but you **should not** – in principle – **be refused entry**.
- ✓ If you travel because of an **essential function or need**, you will **not be required to quarantine**.

**External communication** actions also addressed the home affairs dimension of Covid-19. Namely, DG HOME contributed to the corporate recovery campaign addressing the dimension of internal and external borders, and on travel and transportation during the Covid-19 pandemic<sup>152</sup>. DG HOME is also contributing to travellers receiving up to date information on travel restrictions to Member States during the pandemic, including through the 'Reopen EU' web application. DG HOME communication focused both on the restriction of non-essential travel from third countries into the EU, and the coordinated imposition and subsequent coordinated lifting of border/travel restrictions within the EU with the aim to convey positive messages on the EU area of free movement and the added value of EU action.

#### Specific objective 4: Stronger cooperation with partner countries

A major policy development in 2020 was the **New Pact on Migration and Asylum** that aims at strengthening comprehensive, tailor made and mutually beneficial partnerships with third countries, as mentioned under Strategic Objective 2. During the year, DG HOME worked with **countries of origin, transit and destination**, using an effective range of measures on all aspects of migration management in its bilateral relations with third countries<sup>153</sup>. It also played a key role in a variety of wider migration processes and dialogues<sup>154</sup> as well as in international organisations.

With its activities under this Specific Objective, DG HOME contributed to the impact indicator *third countries with migration policies to facilitate orderly, safe, regular and responsible migration and mobility of people*.

**High-level dialogues** with partner countries are crucial to keep focus on migration and security. In 2020, DG HOME held discussions with Pakistan and with Mauritania – where the visit of Commissioner Johansson to the latter gave new impetus to the cooperation. The Commissioner also visited Morocco and Tunisia together with Commissioner Várhelyi, boosting cooperation on migration and security.

The twice-yearly EU–U.S. Justice and Home Affairs senior-officials meetings were held, and preparations for dialogues took place with Iraq, Morocco and Tunisia.

In the **Western Balkans**, the migratory pressure remained significant. The situation in

<sup>152</sup> [https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response/travel-during-coronavirus-pandemic\\_en](https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response/travel-during-coronavirus-pandemic_en)

<sup>153</sup> E.g. Algeria, Afghanistan, Bangladesh, all Western Balkan partners, all Eastern Partnership countries, China, Egypt, Ethiopia, The Gambia, Ghana, Guinea, Iran, Iraq, India, Ivory Coast, Mali, Mauritania, Morocco, Niger, Nigeria, Pakistan, Senegal, Sudan, Tunisia and Turkey.

<sup>154</sup> Such as the [Budapest Process](#), the [Khartoum Process](#), the [Rabat Process](#), and the [Prague Process](#).

Bosnia and Herzegovina deteriorated towards the end of the year due to lack of appropriate reception capacities for migrants. DG HOME was strongly engaged to find a solution to avert a further humanitarian crisis. At the EU–Western Balkans Justice and Home Affairs Ministerial meeting of 22 October, the Commission committed to further strengthen migration management cooperation with Western Balkan Partners. DG HOME contributed to regular videoconferences with countries along the Western Balkans migration route.

In the EU neighbourhood, cooperation continued with Turkey under the **EU-Turkey Statement**. The Statement continued to deliver results in keeping the number of irregular arrivals down, saving lives in the Mediterranean and improving the situation of migrants in Turkey. Between March 2016 and December 2020, 2 140 migrants were returned to Turkey under the Statement. As the Turkish authorities suspended the return operations from March 2020 onwards due to the pandemic and have not responded to the requests by the Greek authorities for their resumption, only 145 migrants were returned in 2020. Between March 2016 and December 2020, 28 000 resettlements took place from Turkey to EU Member States, of which roughly 2 500 in 2020 despite pandemic related restrictions.

As regards the **Eastern Partnership**, DG HOME contributed to the preparation of the Joint Communication on the *Eastern Partnership policy beyond 2020: Reinforcing Resilience – an Eastern Partnership that delivers for all*<sup>155</sup>. DG HOME contributed to the preparation and participated in the meetings of the Eastern Partnership platforms on *Strengthening Institutions and Good Governance* and on *Mobility and people-to-people contacts*. DG HOME also contributed to the preparation and participated in the Freedom, Security and Justice Sub-Committees and the Association Committees with the Eastern Partnership countries.

By supporting the **EU Emergency Trust Fund for Africa** in 2017–2020 with an overall amount of € 135 million<sup>156</sup>, out of which **€ 5 million** in 2020, DG HOME contributed to shaping the strategic approach to countries in North of Africa. In 2020, the **Mobility Partnership Facility**, with the main objective to offer tailor-made support for policy dialogue and operational cooperation with third countries, received an additional support of more than € 20 million from the annual work programmes within the Asylum, Migration and Integration Fund and the Internal Security Fund.

DG HOME continued working on the **pilots on labour migration** funded via the Mobility Partnership Facility. In 2020, four new labour migration pilot projects were selected for EU funding under the Mobility Partnership Facility with Morocco, Tunisia, Senegal and Moldova. Some activities relating to projects funded in previous years were negatively influenced by the Covid-19 pandemic. However, around **180 people** have arrived to the EU with these projects for education, training and working purposes. In addition, pre-departure, capacity building and reintegration activities are ongoing.

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<sup>155</sup> [https://ec.europa.eu/info/publications/joint-communication-eastern-partnership-policy-beyond-2020-reinforcing-resilience-eastern-partnership-delivers-all\\_en](https://ec.europa.eu/info/publications/joint-communication-eastern-partnership-policy-beyond-2020-reinforcing-resilience-eastern-partnership-delivers-all_en)

<sup>156</sup> Under the Asylum, Migration and Integration Fund Union actions.



#### Example of achievements with DG HOME funding in 2020<sup>157</sup>

€ 30 million

For migrants in Algeria, Egypt, Libya, Mauritania, Morocco, Niger, Tunisia and Sudan; responding to protection needs, building and strengthening asylum and reception systems.

DG HOME has also continued its engagement with the Silk Route countries (Afghanistan, Pakistan, Bangladesh, Iran and Iraq). Since October 2016, the EU and **Afghanistan** have held a constructive dialogue on migration within the *Joint Way Forward*, which has been instrumental in allowing Afghans residing irregularly in the EU to return in a safe, dignified and orderly way, and in reintegrating them in Afghanistan. The Joint Way Forward has been extended until the end of April 2021 at the latest. The progress achieved and the current migratory situation underline the importance of continuing and strengthening migration cooperation with Afghanistan. From the second half of 2020, DG HOME was the leading service of the negotiations on a revised arrangement, which led to the new *Joint Declaration on Migration Cooperation*, which will start applying from the date of signature.

High-level cooperation with **Pakistan** continued both under the EU–Pakistan Readmission Agreement, and via separate meetings to promote cooperation on migration and return. In December, during a High-Level Dialogue with **Iran**, it was agreed to move forward to start technical work under the Dialogue on Migration and Refugee Issues with Iran.

The negotiations with **Cabo Verde** on concluding an amendment of the Visa Facilitation Agreement were finalised in July, and the Commission submitted the related proposals for Council Decisions<sup>158</sup>. The agreement was signed on 18 March 2021.

During the year, DG HOME worked with key countries of origin and transit to improve cooperation on **readmission** by ensuring the implementation of the 24 existing instruments: 18 Readmission Agreements<sup>159</sup>, as well as 6 practical readmission arrangements concluded with third countries<sup>160</sup>. An important step in 2020 was the entry into force of the Visa Facilitation and Readmission Agreements<sup>161</sup> with Belarus. DG HOME prepared also the first-ever assessment report on third countries' **cooperation on readmission** under Article 25a of the Visa Code<sup>162</sup> with a view to implement the Visa Code provisions, allowing to **link the EU visa policy to the level of cooperation on readmission**.

All negotiations on Readmission Agreements came to a standstill in 2020, both due to the pandemic and to the political situation (elections) in some third countries. It was however agreed at the High Level Dialogue with **Nigeria** in November 2020 that negotiations on readmission agreements should resume.

In the field of **security**, DG HOME continued to work on an effective response to the threat

<sup>157</sup> Via the Regional Development and Protection Programme.

<sup>158</sup> COM(2020) 709 final of 9.12.2020.

<sup>159</sup> With Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Cape Verde, Georgia, Hong Kong, Macao, Moldova, Montenegro, North Macedonia, Pakistan, Russia, Serbia, Sri Lanka, Turkey and Ukraine. Despite the difficult Covid-19 circumstances, DG HOME organised annual meetings (also in video conference and in writing) with 11 of these countries.

<sup>160</sup> With Afghanistan, Bangladesh, Guinea, Ethiopia, The Gambia and Côte d'Ivoire.

<sup>161</sup> OJ L 180, 9.6.2020, p. 3

<sup>162</sup> COM(2021) 56 final of 20.2.2021.

of **child sexual abuse**. To tackle this global problem, cooperation with partner countries is critical. The EU Strategy for a more effective fight against child sexual abuse<sup>163</sup> includes the formal participation of the Commission in the board of the *We Protect Global Alliance to End Child Sexual Exploitation Online*, a global organisation aiming to create the right legal frameworks, facilitate exchanges of best practices and build capacity.

In the framework of the negotiations of the **Post-Cotonou Partnership Agreement** between the EU and the African, Pacific and Caribbean countries, DG HOME worked closely with the EU negotiators on the **migration and security** related chapters of the Agreement. The Agreement, which covers cooperation in all policy areas, will be **legally binding for 20+5 years** after entering into force (scheduled for the last quarter of 2021), replacing the Cotonou Agreement. It is an important step forward notably in the area of return and readmission, as it contains provisions which operationalise the international obligation to readmit own nationals illegally staying on the territory of another Party.

In 2020, DG HOME continued a diplomatic and technical dialogue with the U.S. on **visa waiver reciprocity**. This engagement, as confirmed by the Commission in the **Communication on state of play as regards visa reciprocity**<sup>164</sup> issued on 22 December, remains the most efficient way to achieve and maintain visa-free travel between all EU Member States and the U.S.<sup>165</sup>

A number of **dialogues on security** took place in 2020, also with the involvement of key EU Agencies, such as Europol. High-level dialogues were held with the United Nations on issues including counter-terrorism, involving various UN entities. A senior officials' dialogue took place with the UN Office on Drugs and Crime, focusing on organised crime, corruption and other security related matters. Dialogues on **drugs** took place among others with Brazil, Western Balkans, the U.S. and Russia.

The reconvened 63<sup>rd</sup> session of the Commission on Narcotic Drugs in December 2020 voted on the recommendations of the World Health Organization on cannabis and cannabis-related substances. The EU adopted a Union position for the voting based on a Commission proposal prepared by DG HOME ahead of the session.

After many years, DG HOME finally concluded, in the framework of the **Mercosur-EU Association Agreement**, the negotiations of the migration article, which reaffirms a holistic view of migration and protection of refugees, referring to root causes, international protection, smuggling of migrants, trafficking in human beings, prevention of irregular migration and readmission.

The fight against **migrant smuggling** is a priority to prevent migrants from being exploited by criminal networks and to reduce incentives for irregular migration. With DG HOME support, the **European Migrant Smuggling Centre** in Europol provides an effective hub for operational cooperation between Member States. DG HOME's proposal to **strengthen Europol's mandate** was adopted by the Commission in December. Its

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<sup>163</sup> COM(2020) 607 final of 24.7.2020.

<sup>164</sup> COM (2020) 851 final of 22.12.2020.

<sup>165</sup> Bulgaria, Croatia, Cyprus and Romania are still not members of the U.S Visa Waiver Program.

objective is to reinforce operational police cooperation with third parties to face current and new threats to security. The proposal builds on a number of targeted consultations with an extensive number of stakeholders, including national authorities.

During the year, discussions with countries in North Africa and the Middle East (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Tunisia) as well as India and Turkey took place with the aim to negotiate **cooperation agreements with Europol**.

**Figures showcasing  
action against smuggling  
of human beings**

**In 2020 Europol ...**

*...supported*

- **119 priority investigations;**

*...processed*

- **11 513 contributions of intelligence;**

*...produced*

- **1 045 operational analytical products/reports** to assist Member States in investigations linked to migrant smuggling.

DG HOME continued to work closely with **North African countries** on migration and security. In July 2020 Italy, supported by the Commission, hosted a **ministerial conference to counter migrant smuggling**, with the participation of the interior ministers of Algeria, Libya, Mauritania, Morocco and Tunisia and their counterparts from France, Germany, Italy, Malta and Spain. In November 2020, DG HOME hosted a senior official meeting with Mauritania to operationalise the political conclusions of this conference, and similar meetings are currently under preparation with Algeria, Tunisia and Morocco and Libya. The aim of this ministerial process is to strengthen the operational cooperation between EU and African partners in the fight against migrant smuggling networks.

DG HOME supported the progress of the dialogue with **Tunisia**, with the visit of Commissioner Johansson to Tunis on 17 August, as well as the progress of the dialogue with **Morocco**. Commissioner Johansson visited Morocco, together with Director-General Monique Pariat, in December 2020, giving new impetus to cooperation on migration and security.

In terms of operational cooperation, the implementation of the **Common Operational Partnership** to prevent and combat migrant smuggling along African migratory routes started in 2020.<sup>166</sup> During the year, three new Common Operational Partnerships were selected through the Internal Security Fund–Police with The Gambia – setting up a network of existing Common Operational Partnerships in West and Central Africa – and with Turkey and Western Balkan countries.

Additionally, **information and awareness raising campaigns** are being implemented on the risks of smuggling and irregular migration. Six new projects kicked off, covering North Africa, West Africa, Western Balkans and South Asia. The main goal is to provide potential migrants with factual and balanced information on the risks of irregular migration.



The InfoMigrants project gives access to information in Arabic, French, English, Dari, Pashto and Bengali on one unique website,

<sup>166</sup> The project is made up of several sub-projects involving EU countries (Austria, France, Netherlands, Germany, Italy) and third countries (Guinea, Ivory Coast, Tunisia, Morocco, Nigeria, Horn of Africa and the African Police Cooperation Organisation).

on social networks and on a platform, free and accessible worldwide. The project receives about with € 9 million support from the Asylum, Migration and Integration Fund.

At **regional level**, DG HOME actively contributed to the work of the regional migration dialogues (Rabat, Khartoum, Prague and Budapest Processes) by providing guidance through the participation in the relevant Steering Committees and thematic webinars.

DG HOME continued to foster good cooperation with the **International Organization for Migration**, in particular through the organisation of a Working Group on Return and Reintegration, ad-hoc meetings on labour migration and on Covid-19 and migration, a Working Group on Protection in mixed migration contexts, and through the EU-IOM Joint Initiative on Protection and Reintegration. DG HOME worked very closely with the **United Nations High Commissioner for Refugees** both inside the EU and in third countries, and expanded its cooperation with other international organisations such as the **International Committee of the Red Cross**.

To improve coordination and better respond to EU priorities, the first biannual work programme of the **Network of Immigration Liaison Officers** was adopted for 2021–2022. The work programme supports and is fully aligned with the EU migration priorities as stated in the New Pact on Migration and Asylum<sup>167</sup>.

DG HOME continued to contribute to multilateral engagements, including to the work of the G20 and G7 on migration and security, and in particular in the context of discussions on the impact of **Covid-19** as regards travel restrictions.

DG HOME was closely involved in the negotiation of the law enforcement chapter of the **EU-UK Trade and Cooperation Agreement**. The legislation of the EU and its Member States relevant to third country nationals on the one hand, and that of the UK on the other, regulate the mobility of persons. UK nationals are to be treated as third country nationals<sup>168</sup>. Both the EU<sup>169</sup> and UK have legislated to grant visa-free access to each other's citizens for short stays. However, a clause recognising the UK's obligation to provide **visa-free travel for short-term visits** to citizens of all EU Member States has been included in the agreement. This is an important guarantee for Member States and their citizens.



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<sup>167</sup> In particular, the prevention of irregular migration, including the fight against migrant smuggling; the return and readmission of third-country nationals illegally staying in the EU, and the promotion of legal pathways to the EU.

<sup>168</sup> Without prejudice to the [rights of beneficiaries of the Withdrawal Agreement](#).

<sup>169</sup> Regulation (EU) 2019/592 of 10.4.2019.

## **2. Modern and efficient administration and internal control**

### **2.1 Financial management and internal control**

**Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.**

**This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports have been considered:**

- the reports by Authorising Officers by Sub-Delegation in the DG;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-sub-delegation;
- the reports on control results from management/audit authorities in Member States in shared management, as well as the result of the Commission supervisory controls on the activities of these bodies;
- the reports of the external auditors on the results of control on decentralised agencies in indirect management, as well as the result of the Commission's supervisory controls on the activities of these bodies;
- the reports received from entrusted entities (indirect management) in the framework of the delegation agreements;
- the contribution by the Director in charge of Risk Management and Internal Control, including the results of internal control monitoring at the DG level;
- the results of the ex post supervision and audit;
- the exceptions, non-compliance events and any cases of 'confirmation of instructions' (Article 92.3 of the Financial Regulation);
- the limited conclusion of the internal auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service;
- the observations and the recommendations reported by the European Court of Auditors.

**These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG HOME.**

**This section covers the control results and other relevant elements that support management's assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of internal control systems, and resulting in (d) Conclusions on the assurance.**

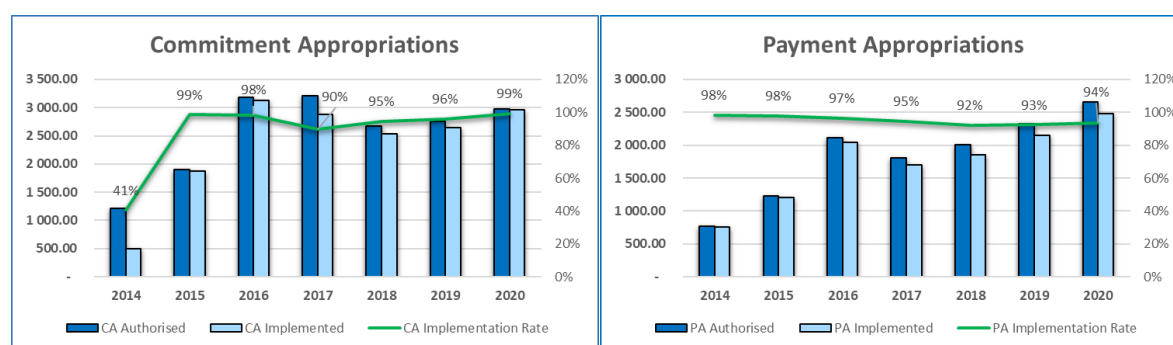
## 2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives<sup>170</sup>. The DG's assurance building and materiality criteria are outlined in the Annual Activity Report's (AAR) Annex 5. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

For the programming period 2014–2020, the overall budget managed by DG HOME amounts to € 17.63 billion. Most of these resources are allocated to the two Migration and Home Affairs Funds: the **Asylum, Migration and Integration Fund** and the **Internal Security Fund**. The initial overall budget of € 6.9 billion for these two Funds was substantially reinforced and reached a total of € 11.89 billion at the end of 2020. € 4.14 billion were reserved mainly for the funding of the Agencies, and € 1.21 billion were earmarked for Security Research and finally € 0.40 billion covered: IT Systems/Schengen Facility for Croatia, Europe for Citizens, Anti-Drugs and Emergency Support Instrument.

DG HOME policies are part of Heading 3 Security and Citizenship, which represented approximately 2.21% of the total EU general budget 2020.<sup>171</sup>

In 2020, DG HOME policies were supported by € 2.98 billion of commitment appropriations representing approximately 1.76% of the EU budget<sup>172</sup>, and a corresponding amount of payments appropriations equal to € 2.66 billion. These amounts correspond to the total appropriations available at the end of 2020 on DG HOME budget lines, including internal and external assigned revenues received during 2020.



Source: Annex 3 of Annual Activity Reports - Outturn on commitment and payment appropriations in 2020

In 2020, DG HOME maintained good implementation rates as regards commitment and payment appropriations, achieving consumption rates of 99% for commitments (higher than in 2019 when it reached 96%) and 94% for payments (slightly higher than in 2019

<sup>170</sup> 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (Financial Regulation Article 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

<sup>171</sup> The amount included in Chapter 3. Security and citizenship was equal to € 3.729 billion out of a total amount of € 168.797 billion (EU Draft Budget 2020), <https://myintracomm.ec.europa.eu/budgweb/EN/bud/proc/adopt/Documents/statement-of-estimates-2020.pdf>

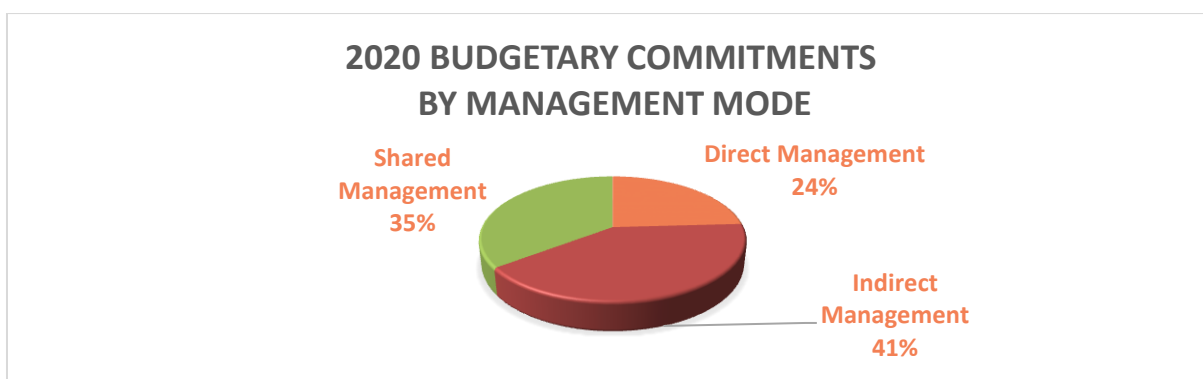
<sup>172</sup> In addition to the budget voted by the legislative authority, authorised commitment appropriations include appropriations carried over from the previous exercise, budget amendments, and miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

when it reached 93%). The implementation of payment appropriations in 2020 has been affected by the assigned revenues received in late 2020 and not committed, in particular under Chapter 18 02 Internal Security. In this chapter, the assigned revenues come mainly from the contribution of the Schengen Associated Countries, which were received during the second half of the year only, so they will be implemented in 2021.

When taking into account only appropriations expiring in 2020, the implementation of DG HOME's budget reaches **100% in commitments and 100% in payments**.

DG HOME also managed to decrease the open amount on commitments (RAL) previous to 2019 by 35% from €5.03 billion to €3.27 billion. The reduction of the amount from previous years is a good indicator, as it reflects the fact that projects are being implemented and paid. In addition, DG HOME keeps the open commitments under regular observation.

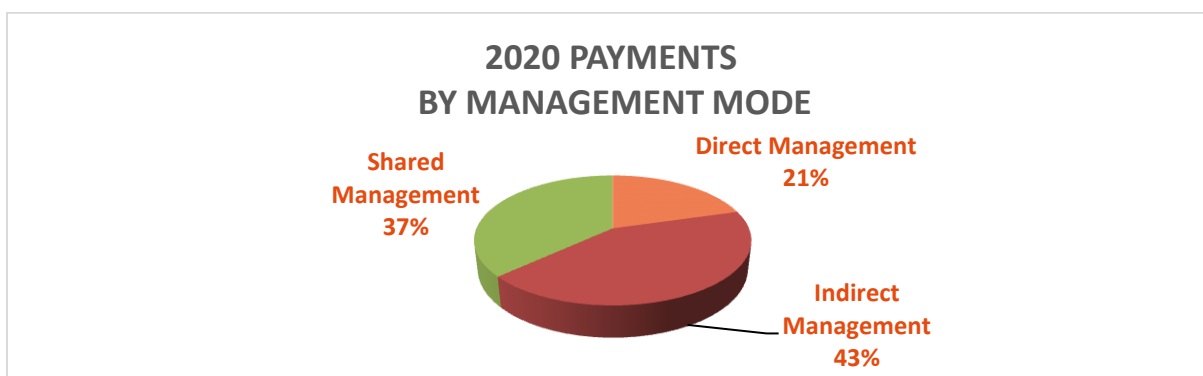
The graph below presents the distribution of individual commitments signed in 2020 per management mode:



The highest share of the 2020 commitments is represented by indirect management with 41% due to a high budget for the six decentralised agencies managed by DG HOME, in particular Frontex. It is then followed by shared management with 35% (€ 1.2 billion) from the total, which reflects the 2020 allocation from the total envelope in the national programmes for the AMIF and ISF (€ 1 billion). Direct management amounts to € 710 million and covers mainly Union actions, emergency assistance and research grants.

As concerns payments made by DG HOME in 2020, 100% are covered by ex ante controls and 58% of the value were covered by ex post controls.

The graph below presents the distribution of payments in 2020 per management mode:



The highest share of the 2020 payments is represented by indirect management with 43% (€ 1 billion) due to high payments to the six decentralised agencies managed by DG HOME,

in particular Frontex, as well as a few high-value payments on contribution and delegation agreements. It is then followed by shared management with 37% (€ 0.9 billion) from the total. Direct management amounts to € 0.5 billion and covers mainly Union actions, emergency assistance and research grants.

The activities carried out to control the execution of DG HOME appropriations are presented in this section per control system:

- 2.1.1.1 Control system 1: Shared management
- 2.1.1.2 Control system 2: Direct management of grants
- 2.1.1.3 Control system 3: Direct management of procurement
- 2.1.1.4 Control system 4: Indirect management (decentralised agencies and delegation agreements)

Each sub-section is structured in two parts (ex ante control and ex post controls) and a conclusion on the assessment of the functioning of the management and control system.

To assess the effectiveness, efficiency and economy of the control systems put in place, indicators have been formulated in a management tool used by all the Authorising Officers by Sub-delegation in DG HOME: the Relevant Control Systems for budget implementation. Based on the identified risks, the Authorising Officers have in their reports described the mitigating controls, the coverage and depth of these controls, their costs and benefits, as well as effectiveness, efficiency and economy.

The overview of the results of this assessment is provided in Annex 6, whilst the set of management and financial indicators used to measure performance is provided in Annex 7.

The 2018 Financial Regulation introduced some additional Annual Activity Report reporting requirements. No such cases are applicable for DG HOME with the exception of cases on derogation from the principle of non-retroactivity of grants pursuant to Article 193 of the Financial Regulation applicable to the general budget of the Union, which are reported in section 2.1.1.2.

#### **2.1.1.1 Control system 1: Shared management**

##### **SOLID (2007–2013)**

The SOLID Funds were: European Fund for the Integration of third-country nationals (EIF), European Refugee Fund (ERF), Return Fund (RF), and External Borders Fund (EBF). This control system is limited to Step 2 as it concerns a past multiannual financial framework.

##### **Step 2 – ex post controls**

In 2020, DG HOME finalised ex post controls for Cyprus (EBF, ERF, RF, and EIF) and Austria (EBF, ERF, RF and EIF).

##### ***Assessment of the functioning of the management and control systems (including best estimate of error)***

The overall results of amount at risk per annual programme and the Residual Error Rate is provided in Annex 7 together with a detailed table on the Member States and programmes for which the cumulative Residual Error Rate is above 2%. **The average Residual Error Rate for all closed annual programmes across all four SOLID funds is 1.42%, hence below the materiality threshold of 2%.** At Member States level, 13 Annual

Programmes in 7 Member States present a cumulative Residual Error Rate higher than 2%. In these cases, a recovery procedure following an ex post audit is ongoing, and reservations have been issued as presented in section 2.1.5.

### Lifting of reservations included in DG HOME Annual Activity Report for 2020

Due to the implementation of corrective actions, the non-quantifiable reservations issued in 2019 referring to three Member States/shared management SOLID (2007–2013) can be lifted in this 2020 report:

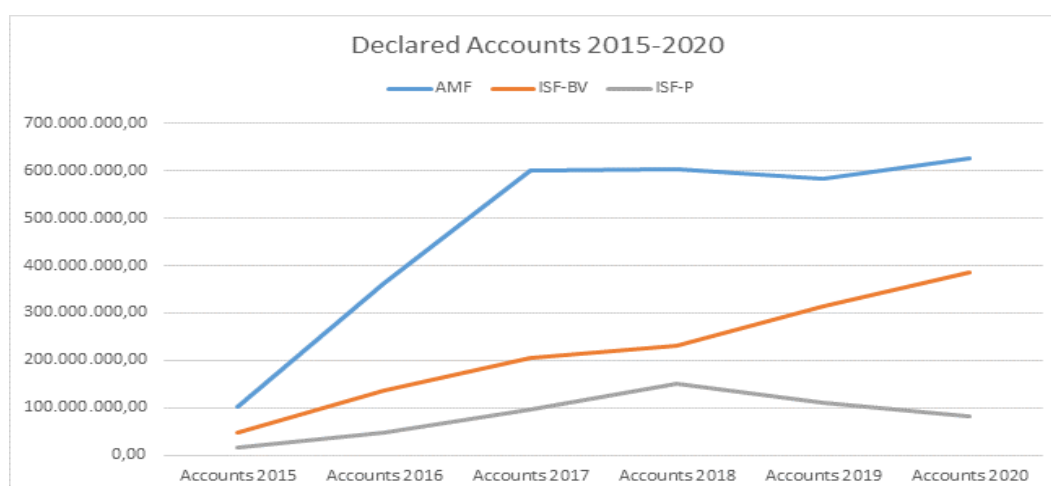
1. EBF Belgium: following the finalisation of the audit process, DG HOME issued a recovery order.
2. EIF Finland: The corrections that were finally implemented were appropriate and provide a sufficient level of assurance on the regularity of the expenditure.
3. EBF Poland: the Polish authorities carried out sufficient controls and verifications hence providing a sufficient level of assurance of the regularity of expenditure reducing to a great extent the risk to the EU budget.

### Asylum, Migration and Integration Fund and Internal Security Fund (2014–2020)

In 2020, AMIF shared management represented 39% of all AMIF commitments implemented (€ 558 million). For the ISF, shared management represented 90% of all implemented commitment appropriations (€ 480 million).

At the end of 2020, the **cumulative absorption rate** of the AMIF and ISF under shared management is equal to **60.75%, up from 47.72%** by the end of 2019. This figure reflects the consumption from 2014 to 2020 financial years whose cumulative value is equal to € 4.7 billion out of a total allocation to the national programmes (including new top-up funding granted to Migration and Home Affairs Funds in 2020) equal to € 7.75 billion.

The graph below reflect the evolution of AMIF and ISF accounts from 2014 to 2020:



Implementation of the 58 multiannual AMIF and ISF national programmes continue at constant pace and figures confirm a **rising trend in absorption** of the available resources although cumulative absorption rates may give the false impression that the implementation of the programmes are lagging behind. This is explained by the fact that the AMIF and ISF national programmes are often topped-up in response to new

developments and that implementation can only start after approval of the programmes and the commitment of the resources most often only the following year.

The AMIF and ISF-Police are generally on track, but there is unfortunately a markedly slower absorption rate for the ISF-Borders. The increase in IT systems top-ups in 2019 has impacted negatively on the overall take up of budget in Member States, although Member States are likely to use the top-up until the end of the eligibility period in 2022. Moreover, in many Member States protracted delays in public procurement for specific actions on Frontex equipment occur and the specific actions on consular cooperation<sup>173</sup> cannot be implemented. DG HOME is closely monitoring these cases and assisting the concerned Member States.

On the other hand, a few Member States have reached excellent results in the absorption of the funds long before the eligibility deadlines.

In response to the Covid-19 pandemic, DG HOME swiftly amended several legal acts and provided additional guidance and flexibility mechanisms in response to the implementation challenges triggered by the pandemic. These legislative amendments included amongst others easing the requirements as regards operational on-the-spot controls (including the use of digital evidence), and extending the deadline for resettlement, while the revision of Article 50 of the Horizontal Regulation<sup>174</sup> resulted in a lower risk for decommitment for the financial year 2018. These measures, along with a simplification action plan agreed for shared management are fully aligned with the Commission's rules of sound financial management, as well as key in facilitating the path towards optimal implementation for the years to come.

### **Step 1 – ex ante controls**

In 2020, the revision of national programmes concerned 25 programmes. 17 revisions were made under the AMIF and 10 under the ISF. Seven ISF national programmes were revised to integrate extra allocation through a new Specific Action<sup>175</sup> to reinforce border control activities in Member States facing high or disproportionate migratory pressures, while eight AMIF national programmes were revised to integrate additional funding for resettlement, and eight revisions concerned cases of decommitment. The remainder of revisions took place to respond to developments on the ground and to optimise implementation.

At the end of 2019, 34 national programmes were at risk of decommitment (total of € 275 million). However, over the course of 2020, this was significantly reduced thanks to close monitoring and actions plans (guidance etc.) as well as the submission of early accounts. In

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<sup>173</sup> The beneficiaries either fell short of the implementing targets or cancelled the project altogether. In several cases, despite requests from DG HOME, the authorities did not manage to find alternatives as setting up consular cooperation requires agreements with other Member States and it is not driven by immediate needs but more mid to long term structural changes.

<sup>174</sup> The amendment of Article 50 of the Horizontal Regulation aligned the deadlines of submission of accounts and decommitment (to 15 February/1 March). Prior to this amendment Member States had to advance their annual accounts/payment requests to 31 December instead of submitting it six weeks later on 15 February as foreseen by the legal base. The submission of early accounts reduced their time to finalise audit and control procedures and it was not always possible to integrate the full amount spent by the end of the financial year into the "early accounts" as Member States do not have the administrative capacity to perform the necessary checks in a reduced period of time. Secondly, the amendment of Article 50 of the Horizontal Regulation postponed the decommitment deadline of additional amounts provided to the national programmes in the years 2018 and 2019 by one year. In this way, Member States have additional time to implement actions on the ground and declare the payments to the Commission.

<sup>175</sup> Commission Delegated Regulation (EU) 2020/446 of 15 October 2019 amending Annex II to Regulation (EU) No 515/2014 of the European Parliament and of the Council establishing as part of the Internal Security Fund, the instrument for financial support for external borders and visa (OJ L 94, 27.3.2020, p.3).

the end, the amount to decommit was € 16.5 million and only eight national programmes<sup>176</sup> were concerned.

Whereas the national programmes of the AMIF and ISF are multiannual, the Member States submit annually (by 15/02/N+1 or exceptionally 1/03/N+1) a request for annual payment (supported by an annual 'assurance package'), which results in an annual clearance decision by the Commission (by 31/05/N+1). In 2020, the accounts submitted for clearance by the Member States for the financial year 2019 concerned 58 cost claims (cumulated value of € 1 009.46 million), leading to payments for a value of **€ 548.01 million accepted in the clearance**.<sup>177</sup> It is worth emphasizing that there is a clear trend of increasing actual payments compared to last years (€ 434.66 million in 2019 and € 417.2 million in 2018). Moreover, in 2020, in addition to the clearance of 2019 accounts, DG HOME made a major clearing of accounts from previous financial years that were pending (amounts from 18 accounts were cleared, resulting in a total payment of € 38.24 million).

During the reporting period, **ten on-the-spot monitoring visits** were carried out by DG HOME in Member States. Beyond field visits and given the unprecedented circumstances caused by the pandemic, additional 18 monitoring committee meetings took place online. These constructive dialogues with Member States proved to be crucial to support the implementation of the AMIF and ISF at national level. In addition, Member States are on a regular basis provided with guidance through meetings of the AMIF/ISF Committee, guidance documents on specific topics (e.g. Covid-flexibilities), and workshops, which are organised on an ad hoc basis on specific issues such as procurement, and the future generation of Migration and Home Affairs funds.

The internal structure of DG HOME, having funding Units composed of country desks in a financial Directorate with weekly discussions on FAQs, facilitates the delivery of consistent and sound guidance and support to Member States in the implementation of the AMIF and ISF.

In the case of **Greece**, the **financial plan** agreed with the Greek authorities in mid-2020 constitutes an additional control mechanism.

Finally, DG HOME organised a dedicated online conference in November 2020 with the participation of Member States Responsible and Audit authorities to bridge the 2014-2020 funding period with the new multiannual financial framework (2021-2027), which laid the ground for a fruitful programming and productive collaboration for between Member States and the Commission.

## **Step 2 – ex post controls**

The main activities consisted of the assessment of the annual accounts submitted by the Member States, a review of the accompanying audit opinions, and a detailed annual control report, in which the national audit authorities document the audit work carried out to underpin the audit opinions issued as part of the annual payment. In addition, to the annual clearance procedure, conformity clearance, and financial corrections by the Commission are

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<sup>176</sup> ISF France, AMIF Bulgaria, AMIF Hungary, AMIF Slovakia, AMIF Ireland, AMIF Poland, AMIF Czech Republic, AMIF Luxembourg.

<sup>177</sup> Commission Decision C(2020) 4172 of 17 June 2020, Corrigendum Commission Decision C(2020) 5950 to C(2020) 4172 of 27 August 2020 and Commission Decision C(2020) 8536 of 26 November 2020.

possible up to 3 years after the expenditure has been incurred by the Responsible Authority.

**Assessment of the functioning of the management and control systems (including best estimate of error)**

In 2020, DG HOME launched one system audit: ISF/AMIF Estonia. The system audit focused on the review of the audit work of the audit authority underpinning the audit opinions issued with the accounts submitted to the Commission in February 2020 (for financial year 2019). The audit report will be finalised in 2021 but nevertheless the on-going assessment has been taken into account for the assurance for the reporting year. In addition, a follow up audit in Finland AMIF/ISF was launched to verify the corrective measures introduced following the audit of 2017.

Due to Covid-19 and mobility restrictions DG HOME auditors were not able to accompany the Court of Auditors on the audits for the 2020 Statement of Assurance.

The methodology to determine reservations and to estimate the net amount at risk is provided in Annex 5. The cumulative outcome of the assessment is presented below (more detailed information per Member State is provided in Annex 7):

| Activity/Fund | Cumulative amount at risk (EUR) (31 Dec 2020) in Mio. EUR | Cumulative EU payments (EUR) (31 Dec 2020) in Mio. EUR | Cumulative Residual Error Rate |
|---------------|-----------------------------------------------------------|--------------------------------------------------------|--------------------------------|
| AMIF          | 31.36                                                     | 2 139.32                                               | 1.47%                          |
| ISF           | 15.58                                                     | 1 294.55                                               | 1.20%                          |
| <b>Total</b>  | <b>46.93</b>                                              | <b>3 433.86</b>                                        | <b>1.37%</b>                   |

The **average Residual Error Rate across AMIF and ISF is 1.37%, well below 2%**. At Member States level, six Member States present a cumulative Residual Error Rate higher than 2%. In these cases, reservations have been issued as presented in section 2.1.5

| IMPACT on Declaration of Assurance |                                    |                        |                  |          |                  |                  |          |                  |
|------------------------------------|------------------------------------|------------------------|------------------|----------|------------------|------------------|----------|------------------|
|                                    |                                    |                        | AMIF             |          |                  | ISF              |          |                  |
|                                    |                                    |                        |                  | % of MCS | % of EU payments |                  | % of MCS | % of EU payments |
| 1                                  | Reasonable assurance               | Number of MCS          | 0                | 0%       | 0.0%             | 0                | 0%       | 0.00%            |
|                                    |                                    | Cumulative EU payments | -                |          |                  | -                |          |                  |
| 2                                  | Reasonable assurance with low risk | Number of MCS          | 25               | 93%      | 86.5%            | 25               | 81%      | 85.91%           |
|                                    |                                    | Cumulative EU payments | 1 851 517 881.61 |          |                  | 1 112 402 374.41 |          |                  |
| 3                                  | Limited assurance with medium risk | Number of MCS          | 2                | 7%       | 13.5%            | 6                | 19%      | 14.09%           |
|                                    |                                    | Cumulative EU payments | 287 800 185.76   |          |                  | 182 369 175.67   |          |                  |
| 4                                  | Limited assurance with high risk   | Number of MCS          | 0                | 0%       | 0.0%             | 0                | 0%       | 0.00%            |
|                                    |                                    | Cumulative EU payments | -                |          |                  | -                |          |                  |

### 2.1.1.2 Control system 2. Direct management – Grants

In 2020 DG HOME signed grant agreements for a total amount of € 677.65 million:

- € 69.30 million for Union actions grants;
- € 607.85 million for emergency assistance grants; and
- € 0.50 million for research grants.

Union actions and emergency assistance grants represented 17% (€ 425.37 million) of total DG HOME payments in 2020.

‘Union actions’ are transnational actions or actions of particular interest to the Union covering the objectives under the AMIF and ISF. These often complex and long-term projects support EU-wide networks, new ways of working, testing of tools or methods throughout the Union and cooperation activities between Member States and third countries. In addition, emergency assistance under the AMIF and ISF supported Member States facing urgent needs on the ground in the areas of migration, border management and security, by means of projects run by national authorities and International Organisations.

Other programmes implemented through grants under direct management were the Anti-Drugs strand under the Justice Programme<sup>178</sup>.

As concerns emergency assistance, it is the main tool for DG HOME to provide strategic operational support of EU added value at short notice in the form of grants and contribution agreements. The interim evaluation of the AMIF also confirmed the emergency assistance as being one of the main benefits at EU level. By the end of December 2020, the total amount of the Fund’s emergency assistance since 2015 reached € 2.028 billion.

#### Step 1 – ex ante controls of Union actions and emergency assistance grants

Control activities include preparation and adoption of the annual work programmes, the calls for and evaluation of proposals.

In 2020, the number of signed grants for **Union actions and drugs** (Justice Programme) reached 73 (108 in 2019, 146 in 2018) for a total awarded budget equal to € 69.30 million (€ 108.52 million in 2019, € 135 million in 2018). The decrease in the amount of

grant agreements signed results mainly from the amounts allocated to the ISF-Police in the 2019 Annual Work Programme (limited number of calls for proposals compared to the past) as well as due to the fact that the 26 grants for the European Migration Network National Contact Points under 2019–2020 Work Programme were all signed in in 2019.

The average value of a grant in 2020 was around € 1 million for Union actions and € 26.4 million for emergency assistance.

The number of payments in 2020 decreased significantly (109 versus 208 in 2019), which is related to a very significant number of amendments prolonging projects under the Union Actions processed in 2020, as a result of Covid-19 pandemic restrictions delaying projects’

#### **Total awarded amounts for Union actions and emergency assistance:**

**2019: € 363.2 million**

**2020: € 714.9 million**

<sup>178</sup> To help implement the objectives set by the EU Drugs Strategy 2013–2020 and to foster cross-border cooperation and research on drug issues.

activities. Moreover, pre-financing for 26 European Migration Network National Contact Points grants was paid 2019 and a large portion of pre-financing for the 2017 Annual Work Programme was paid in 2019 (23 projects, compared to only 4 from the 2018 Annual Work Programme paid in 2020). Similarly, the total value of payments linked to Union Actions grants decreased substantially (€ 45.20 million in 2020 versus € 111.83 million in 2019). The percentage of ineligible amounts found by the controls performed over the cost claims processed represented 1% of their value (0.7% in 2019).

As concerns the **emergency assistance**, DG HOME awarded 23<sup>179</sup> grants (29 in 2019, 30 in 2018), for a total awarded budget equal to € 645.63 million (€ 254.68 million in 2019, and € 263 million in 2018) to address urgent and specific needs to improve migration and border management. Specifically, eight Member States<sup>180</sup> (Cyprus, France, Finland, Greece, Ireland, Italy, Malta, and Spain) benefitted from emergency assistance. Beneficiaries were the national authorities, relevant ministries, as well as international organisations. More information on these grants is provided in Annex 7.

In 2020, DG HOME awarded ten Emergency Assistance grants under the AMIF and ISF Border and Visa to actions that had already begun, as the applicants demonstrated the need for starting the action prior to signature of the grant agreement. More information on these awarded grants is provided in Annex 7.

## **Step 2 – ex post controls of Union actions and emergency assistance grants**

In addition to the main control objective, the ex post controls serve other purposes:

- Detection and correction of any errors remaining undetected after the implementation of ex ante controls;
- Report to OLAF on any suspicions of fraud observed during the ex post control;
- Measuring the effectiveness of ex ante controls;
- Addressing systematic weaknesses in the ex ante controls based on the analysis of the findings (sound financial management); ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information).

In 2020, DG HOME launched 39 ex post controls<sup>181</sup>, all being part of the annual audit work programme 2020. Taking into account the audits launched in previous annual audit work programmes, DG HOME's auditors finalised 23<sup>182</sup> audit reports in 2020<sup>183</sup> (2 from the 2017 Annual Work Programme, 15 from the 2019 Annual Work Programme, and 6 from the 2020 Annual Work Programme). The audit coverage<sup>184</sup> for 2014-2020 programming period

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<sup>179</sup> Under EMAS six grants were awarded in 2020 through a Contribution Agreement hence reported under the specific section on DAs.

<sup>180</sup> For example, emergency funding for Greece covered, among others, a significant part of the reception needs in the mainland and in the islands, the protection of the unaccompanied minors through the provision of accommodation, guardianship and foster care services, access to the Greek Asylum Service and the Assisted Voluntary Return scheme. Emergency assistance reinforced Italy's capacities of proceeding with: refugee status determination, carrying out humanitarian evacuations of vulnerable persons in need of international protection from Libya, providing immediate assistance to victims of trafficking, supporting the education of unaccompanied minors, fighting the exploitation of migrants' labour and supporting steps in view of the integration of beneficiaries of international protection. In the framework of ISF Borders and Visa, emergency assistance was provided to Belgium authorities to address the needs on the Belgian maritime border and prevent illegal border crossings.

<sup>181</sup> Out of the 39 ex post controls, 20 were on grant implemented by the Directorate-General for Justice and Consumers and 19 implemented by DG HOME.

<sup>182</sup> Finalised meaning that the final audit reports were signed and sent to the Authorising Officer by Sub-Delegation by end-2020.

<sup>183</sup> 9 of the 23 finalised audits in 2020 correspond to grants signed under the programming period 2007-2013 and the remaining 14 finalised audits correspond to grants signed under the programming period 2014-2020.

<sup>184</sup> Based on the finalised audits at 31 December 2020.

was 16.21%.

Based on the analysis of the main causes and types of most commonly detected errors identified in ex post audits closed in 2020, the main type of irregularities identified, covering in value more than 90% of the errors detected, can be grouped in the following categories:

|                                  |        |
|----------------------------------|--------|
| Incorrect procurement procedure  | 62.34% |
| Missing/inadequate documentation | 30.71% |

### ***Assessment of the functioning of the management and control systems (including best estimate of error)***

DG HOME reported in the 2019 Annual Activity Report a financial reservation for this control system as the cumulative Residual Error Rate was 4.11%. The methodology up to the 2019 Annual Activity Report did not make a distinction between financial and procedural errors.

Based on additional audits closed by end-2020, corporate guidance on the treatment applicable to procedural procurement errors (more details in Annex 5) and the assessment of the functioning of the management and control system for direct management grants (Union actions and emergency assistance), the **financial reservation reported in the 2019 Annual Activity Report is maintained in the 2020 AAR**, as presented in section 2.1.5. This is due to a cumulative Detected Error Rate for the 2020 Annual Activity Report exceeding 2% resulting from both procedural and financial errors<sup>185</sup> and to the fact that the cumulative Residual Error Rate of 2.23% (excluding procedural procurement errors not having a financial impact) exceeds materiality of 2%.

Some procedural procurement errors in cases related to a particular emergency situation during the migration crisis in 2015–2016 in a number of transit Member States, which do not appear to be systemic and do not have a financial impact, are not taken into consideration for the estimate of the financial exposure amount at risk.

| <b>Audit coverage and error rate for direct management 2014-2020 funds (multiannual)</b> | <b>2020</b>          | <b>2019<sup>186</sup></b> |
|------------------------------------------------------------------------------------------|----------------------|---------------------------|
| <i>Cumulative Auditable Population (in € million)</i>                                    | 673.24               | 459.12                    |
| <i>Cumulative Audited Population (in € million)</i>                                      | 109.55               | 99.46                     |
| <i>Cumulative Audit coverage (%)</i>                                                     | 16%                  | 22%                       |
| <i>Cumulative Detected Error Rate (%)</i>                                                | 9.39%                | 4.5%                      |
| <i>Cumulative Residual Error Rate (%)</i>                                                | 2.23% <sup>187</sup> | 4.11%                     |

In this regard, in 2020 DG HOME has initiated the revision of its internal Emergency

<sup>185</sup> Following the corporate guidance provided for the calculation of the detected and Residual Error Rates, while such procedural procurement errors may be excluded from the Residual Error Rates, they should be included and quantified at 100% for the determination of the Detected Error Rate.

<sup>186</sup> For the 2018 Annual Activity Report, the indicators were computed for the reference period 2007-2020, as per DG HOME methodology at the time. For the 2019 Annual Activity Report it has been decided to report the indicators for the 2014-2020 period as 94% of the auditable population and 84% of the audited population of 2019 belongs to the programming period 2014-2020.

<sup>187</sup> The Residual Error Rate (RER) excludes Public Procurement Procedural Errors. Up to the 2019 AAR, procedural and financial errors were taken into consideration for the cumulative error rate. As from the 2020 AAR, in line with the above-mentioned corporate guidance, the calculation of the RER excludes procedural errors having no financial impact.

Assistance control strategy, with the objective of further streamlining procedures and providing additional assurance on the legality and regularity of underlying transactions, as well as on compliance with national procurement procedures.

The assessment of the Residual Error Rate and amount at risk not detected by the supervisory and ex ante elements of the internal control is carried out through analysis of the results of ex post audits. The table above summarises the results of this analysis done according to the four steps detailed in Annex 5. It gives the cumulative coverage rates for grants under direct management (research excluded) and the related Residual Error Rates are reported below.

### **Step 1 – ex ante controls of research grants (Horizon 2020)**

Many internal controls are integrated into specific IT tools for the management of the research funds which is shared between DG HOME and the Research Executive Agency<sup>188</sup>. DG HOME is responsible for the work programme<sup>189</sup> and security scrutiny. Transition of the projects from DG HOME to the Research Executive Agency is still underway. Of the 25 projects managed by DG HOME, six were closed during 2020 and two were in the final payment circuit at the end of the year. For the remaining 17 projects, the transition was completed in early 2021. The implementation is monitored by both DG HOME and the Agency.<sup>190</sup>

### **Step 2 – ex post controls of research grants (7<sup>th</sup> Framework Programme and Horizon 2020)**

The audit work for **7<sup>th</sup> Framework Programme** (FP7) is completed, thus FP7 audits will no longer be covered in detail in future Annual Activity Reports. The error rates for DG HOME<sup>191</sup> resulting from FP7 audit work are:

**Common Representative Error Rate:** based on 480 costs statements selected from the entire R&I family, this error rate is **5.45%**.

**Residual Error Rate:** at the end of 2020, this error rate amounts to 3.14%<sup>192</sup>.

For Horizon 2020, the Common Audit Service undertakes all audits and when relevant, the Common Audit Service executed audits jointly with the European Court of Auditors. The error rates resulting from Horizon 2020 audit work present is a slight increase with regard to the result in 2019 (2.40%):

**Representative Detected Error Rate: 2.95%**

**Residual Error Rate for DG HOME: 2.43%.**

Based on the Court of Auditors' findings on the Commission's methodology for the

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<sup>188</sup> Evaluation of proposals, preparation and management of grants are currently carried out by both entities. The share of budget and projects was initially set to 1/3 for DG HOME and 2/3 for the Research Executive Agency. Following the update of the delegation agreement with the Research Executive Agency in 2017, the ratio was foreseen to evolve to 1/5 for DG HOME and 4/5 for the Research Executive Agency.

<sup>189</sup> The coherence of the Work Programme is guaranteed by the close co-operation of DG HOME, a security Research inter-service group and the Horizon 2020/SC7 programme committee.

<sup>190</sup> Projects managed by the Research Executive Agency are not being reported for in DG HOME's Annual Activity Report.

<sup>191</sup> The results include the audits previously launched for DG GROW.

<sup>192</sup> These amounts do not necessarily mean that there is a loss to the Community budget. Many of the projects spend more than the capped budget, and so the real loss to the Community budget will be lower the financial impact estimated directly by using the error rates above.

calculation of the error rate, the Common Audit Service has adapted its methodology<sup>193</sup> for the calculation of Horizon 2020 error rate, which resulted in an error rate higher, on average, by 0.41% in comparison to the error rate calculated by applying the methodology used in the past.

The methodology for FP7 as well as Horizon 2020 audits is described in detail in Annex 5.

As a conclusion on the assessment with reference to grants research, **DG HOME applied the de minimis rules** as indicated by central services. Based on the fact that **payments for research grants represented 0.45%** of 2020 payments and the **exposure amounts to € 1.03 million** (therefore below the threshold of 5%/€ 5 million), no reservation is issued by DG HOME on FP7 and Horizon 2020.

### **2.1.1.3 Control system 3: Direct management - Procurement**

The control system for direct management – procurement builds on three main processes: procurement procedures, financial operations and supervisory measures. This control system is limited to Step 1, as DG HOME does not carry out ex post audit on its own procurement, this being done by external auditors (the Internal Audit Service and the European Court of Auditors) as appropriate.

#### **Step 1 – ex ante controls**

In 2020, 20 tenders (open tenders and reopening of competitions under framework contracts) were published, leading to the signature of 148 contracts for a total value of € 26.17 million. The calls for tender launched in 2020 included four open procedures for services and studies; and sixteen re-opening of competition under the DG HOME Framework contract for evaluation and impact assessment.

As compared to 2019 and 2018, these indicators represent a constant increase in the number of new tenders. In 2020, DG HOME had to renew four framework contracts. Globally, the number of commitments and payments remained high and echo the intensive political framework of DG HOME, where procurement and contract activities reinforce policy development in the field of migration, borders and internal security.

The contract management includes payments and monitoring of the delivery of the expected results while complying with regulatory and contractual provisions. To this end, DG HOME carries out ex ante checks of invoices before processing transactions.

The amount of payments made in 2020 was equal to € 23.08 million, which is a stable figure compared to 2019 (€ 23.00 million).

Based on the methodology described in Annex 4, no ex post controls were performed for contracts. The audit findings signalled by other internal or external auditors are taken into account for the assessment of assurance and the residual error is estimated to be below 2%. The average error rate is estimated at 0.50%, as per error rate computed by the European Court of Auditors on administrative expenditure.

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<sup>193</sup> In line to the Court's observations starting with the implementation of the 2020 ex post audit campaign (i.e. audits closed since 1 January 2020. Under the new methodology the calculations of the error rates are based on the amounts actually covered by the audit (included in the audit sample).

#### **2.1.1.4 Control system 4: Indirect management - Entrusted Entities and Decentralised Agencies**

**Entrusted Entities.** Payments made in 2020 were equal to € 189.61 million (7.6% of the total payments made) compared to € 221.38 million in 2019. In 2020, DG HOME signed eight contribution agreements under the AMIF and ISF annual work programmes. The delegation/contribution agreements operating throughout 2020 can be found in Annex 10.

##### **Step 1 – ex ante controls**

Delegation and contribution agreements were monitored during the year through progress reports, regular meetings (including participation of DG HOME in Steering committees), and on the spot visits, continuing despite Covid-19 restrictions with local staff.

##### **Step 2 – ex post controls**

Delegation and contribution agreements are subject to ex post verifications carried out by DG HOME. In 2020, no verifications on delegation agreements signed under the Financial and Administrative Framework Agreement were performed.

##### **Decentralised Agencies**

HOME is partner DG to six agencies: the European Border and Coast Guard Agency (Frontex), the EU Agency for Law Enforcement Training (CEPOL), the EU Agency for Law Enforcement Cooperation (Europol), the European Asylum Support Office (EASO), the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), and the EU Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA).

DG HOME pays annual EU contributions to these agencies as authorised by the Budgetary Authority. In 2020, the total commitment appropriations were slightly higher than the previous year and amounted to € 893.4 million, out of which € 876.6 million (98%) was committed by DG HOME. The authorised payment appropriations were equal to € 886.6 million, out of which € 869.9 million (98%) was paid out by DG HOME. Total payments made to the six agencies in 2020 represented 35% of all payment made by DG HOME. A table summarising the amounts of commitment and payments appropriations budgeted and implemented in 2020 can be found in Annex 12.

##### **Step 1 – ex ante controls**

The overall objective is to ensure that HOME is duly and timely informed of any governance-related issues in agencies that could have an impact on the assurance of the agencies and/or represent a reputational risk for DG HOME. Decentralised agencies have full responsibility for the implementation of their budget, while DG HOME is responsible for regular payment of annual contributions established by the Budgetary Authority.

DG HOME closely monitors Agencies' activities in policy implementation, budget planning and implementation and internal control, including follow up on recommendations issued by the Internal Audit Service and the European Court of Auditors<sup>194</sup>. DG HOME exercises its oversight role directly through membership (with voting rights) in agencies' Management

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<sup>194</sup> In 2019, DG HOME revised its Control Strategy on decentralised agencies.

Boards, where the Commission is represented by DG HOME Director-General and Deputy Director-General in most cases. In addition, DG HOME participates at preparatory meetings organized at technical level before Management Board meetings. Three agencies, eu-LISA, Frontex and EMCDDA, have set up specialised working groups on budget, staff and audit, while in Europol and EASO these matters are discussed as part of broader working groups. DG HOME actively participates in all of these working/preparatory groups.

The agencies have not notified of any significant events with possible impact on DG HOME's assurance for 2020.

## **Step 2 – ex post control**

The Internal Audit Service acts as the internal auditor for the agencies, while the European Court of Auditors gives a statement of assurance as to the reliability of the annual accounts and the legality and regularity of the underlying transactions. Based on these, the European Parliament grants discharge directly to the agencies. DG HOME, therefore, does not carry out ex post audits of its decentralised agencies' expenditure, but ensures follow-up of Internal Audit Service and European Court of Auditors audit recommendations, as well as of the discharge.

In 2020, the European Court of Auditors issued unqualified opinions for all HOME decentralised agencies' accounts for 2019, except for EASO. However, the European Court of Auditors' opinion for EASO was expected and reflects the payments made on the contracts that the European Court of Auditors found irregular in previous years. These payments were made in order to maintain business continuity, while the irregular contracts have been mitigated by new procurement procedures in the meantime. Furthermore, the European Court of Auditors has once again acknowledged the progress EASO has made in implementing the corrective measures introduced to address the governance-related weaknesses identified in previous years.

Events involving Frontex that may have a reputational impact on DG HOME were identified in 2020. The Agency has been accused of being involved in alleged push backs in the Eastern Mediterranean, something that is subject to various enquiries, including by the Agency's Management Board. OLAF also opened an investigation into Frontex in 2020. In addition, the implementation of the new mandate of the Agency, including the deployment of the standing corps, carries a (partly materialised) risk of delays. This concerns in particular the timely recruitment and appointment of staff and putting in place the required fundamental rights monitoring and supervisory frameworks, which are subject to considerable delays. These factors were also considered by the European Parliament's Budgetary Control committee when proposing to postpone the 2019 discharge for the Agency. The elements described above could endanger the delivery of the policy objectives related to the implementation of the EU's integrated border management, as well as give rise to reputational risks for the Commission. Based on the above, DG HOME has decided to issue a reservation in the 2020 Annual Activity Report.

## ***Assessment of the functioning of the management and control system***

The agencies have not notified of any significant events with possible impact on DG HOME's assurance for 2020. Nevertheless, based on the reputational event described above, DG HOME issues a reservation on reputational grounds related to weaknesses identified in the effective implementation of Frontex' new mandate in accordance with

good governance and the requirements of the EBCG Regulation.

The relevant information provided by the agencies in relation to the issues identified as a result of the Commission's involvement in the agencies' management boards, and the results of DG HOME's supervision arrangements, are deemed reliable and assessed as sufficient to draw a reasonable assurance conclusion. Details on Internal Audit Service audits will be given by the agencies directly in their Annual Activity Reports, in the framework of their separate discharge procedure.

As concerns delegation agreements with entrusted entities, DG HOME also considers that the level of information received as well as the supervision arrangements are sufficient to provide reasonable assurance.

A table summarising the payments made by DG HOME in 2020, in terms of activities per control system, as well as the key indicators (Residual Error Rates and cost-efficiency) available for each layer can be found in Annex 7.

The analysis of the results of the control activities implemented by DG HOME in 2020 which are described under each Control Systems in sections 2.1.1.1 to 2.1.1.4 allows DG HOME to state that overall reliable and complete control results are available for each Control System. The second part of section 2.1.1 aims at concluding on the cost-effectiveness of these controls and is structured in four sub-sections:

1. Effectiveness of the controls through the analysis of legality and regularity of transactions; fraud prevention, detection and prevention
2. Efficiency of controls
3. Economy of controls
4. Conclusion on cost-effectiveness of controls

## **1. Effectiveness**

### **➤ Legality and regularity of the transactions**

**DG HOME is using internal control processes to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.**

The table below provides an overview of the weighted average error rate for the annual expenditure by using the best estimate of the potential error rate for each of the constituent parts of the budget managed by the DG.

The methodology for the calculation of the cumulative Detected Error Rate for the building block 1 and 2 (shared management and direct grants) is detailed in Annex 5. For the building block 3 (procurement), section 2.1.1.3 clarified that no ex post controls were performed on the implemented contracts. However, the audit findings expressed by the other internal or external auditors are taken into account for the assessment of assurance in relation to procurement transactions. The European Court of Auditors assessed the error rate for administrative expenditure below materiality. Consequently, the average error rate is estimated at 0.50%.

Based on the same European Court of Auditors findings and following the same approach,

for other activities<sup>195</sup> an average error rate of 0.5% is applied as they were not covered by audits in 2020. These activities are not considered risk-prone in 2020 and it is estimated that the error rate is below the materiality threshold.

DG HOME's relevant expenditure, estimated overall risk at payment, estimated future corrections and risk at closure are disclosed in Table X.

The estimated overall risk at payment for 2020 expenditure amounts to € 42.49 million, representing 2.06% of the DG's total relevant expenditure for 2020. This is the Authorising Officer by Delegation's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

In accordance with the instructions received, procedural procurement errors were not included in the calculation of the actual financial exposure (amount at risk), nor considered in terms of 'quantified' materiality for a potential financial reservation. However, also in line with the instructions, for the estimation of risk at closure, DG HOME estimated the Detected Error Rate including also the procedural procurement errors quantified at 100%, even if they have no financial impact. As a result, DG HOME Detected Error Rate (DER) in table X is only valid for the purpose of calculating the estimated risk at closure.

This expenditure will subsequently be subject to ex post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2020 expenditure amount to € 15.12 million. This is the amount of errors that the DG conservatively estimates will be identified and corrected by controls planned to be carried out in subsequent years.

The difference between those two amounts results in the estimated overall risk at closure of € 27.37 million, representing 1.33% of the DG's total relevant expenditure for 2020.

In the context of the protection of the EU budget, the DGs' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level in the Annual Management and Performance Report.

DG HOME does not have evidence that the assurance is impacted by Covid-19. For shared management the assurance is primarily based on Member States controls and audits implemented before the on-set of the mobility restrictions, completed by DG HOME desk review. Whilst for outsourced audits under direct management, DG HOME instructed the audit firms to perform audits remotely when on the spot audit missions were not permitted due to travel restrictions. On the other hand, in line with Commission instructions, in-house audits were converted to remote audits.

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<sup>195</sup> These include administrative expenditure, various administrative arrangements for AMIF/ISF/SOLID.

Table X - Estimated risk at closure

| DG HOME                                                               | "payments made" (FY; m€) | minus new prefinancing (in FY; m€) | plus cleared prefinancing (in FY; m€) | = "relevant expenditure" (for the FY; | Average Error Rate (weighted AER; %) | estimated risk at payment (FY; m€) | Average Recoveries and Corrections | estimated future corrections        | estimated risk at closure (FY; m€) |
|-----------------------------------------------------------------------|--------------------------|------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
| (1)                                                                   | (2)                      | (3)                                | (4)                                   | (5)                                   | (6)                                  | (7)                                | (8)                                | (9)                                 | (10)                               |
| Shared management: SOLID                                              | 0.20                     | 0                                  | 0                                     | 0.20                                  | 3.37%                                | 0.01                               | 0.9%                               | 0.00                                | 0.01                               |
| Shared management: AMIF/ISF                                           | 913.54                   | 364.18                             | 452.42                                | 1 001.78                              | 1.37%                                | 13.72                              | 0.9%                               | 9.04                                | 4.69                               |
| Direct Management: Union actions and EMAS grants                      | 425.37                   | 381.58                             | 209.21                                | 253.00                                | 9.39% <sup>196</sup>                 | 23.76                              | 0.9%                               | 2.28                                | 21.47 <sup>197</sup>               |
| Direct Management: Research grants                                    | 11.20                    | 0                                  | 28.54                                 | 39.74                                 | 3,53%                                | 1,40                               | 0,9%                               | 0,36                                | 1,05                               |
| Direct Management: Public procurement                                 | 23.96                    | 0.69                               | 2.31                                  | 25.58                                 | 0.50%                                | 0.13                               | 0.0%                               | 0.0                                 | 0.13                               |
| Indirect Management: Delegation/Contribution agreements               | 189.61                   | 188.05                             | 4.4                                   | 5.95                                  | 0.50%                                | 0.03                               | 0.0%                               | 0.0                                 | 0.03                               |
| Indirect Management: Decentralised agencies                           | 869.89                   | 869.89                             | 688.20                                | 688.20                                | 0.50%                                | 3.44                               | 0.5%                               | 3.44                                | 0.00                               |
| DG HOME payments include DG HOME contribution to EU Trust Fund Africa |                          |                                    |                                       |                                       |                                      |                                    |                                    |                                     |                                    |
| EU Trust Fund Africa                                                  | 50.00                    |                                    |                                       | 50.00                                 |                                      |                                    |                                    |                                     |                                    |
| <b>DG total</b>                                                       | <b>2 483.76</b>          | <b>1 804.39</b>                    | <b>1 385.08</b>                       | <b>2 064.45</b>                       | <b>2.06%</b>                         | <b>= 42.49 m€; 2.06% of (5)</b>    | <b>0.73%</b>                       | <b>= 15.12 m€; and 0.73% of (5)</b> | <b>=27.37 m€; and 1.33% of (5)</b> |

<sup>196</sup> The DER of 9.39% takes into account all errors detected, including procedural procurement errors with no financial impact. As from the 2020 Annual Activity Report based on the guideline issued by DG BUDG such procedural procurement errors should be included and quantified at 100%, for the determination of the Detected Error Rate. This is to allow for the comparability with the Court of Auditors' estimated error level, where procedural procurement errors are quantified at 100%. However, since the Commission considers that these errors do not have a financial impact, they are not included in the calculation of the actual financial exposure, nor considered in terms of 'quantified' materiality for a potential financial reservation nor in this context for the calculation of the cumulative Residual Error Rate. Without the procedural procurement errors, the Detected Error Rate would be 2.64% and the amount at risk at payment € 6.68 million.

<sup>197</sup> Following the corporate instructions for the estimation of risk at closure, DG HOME used as basis for its estimation the DER (including also the procedural procurement errors quantified at 100% but with no financial impact). The methodology for including procurement procedural errors in the estimation of risk at closure is to align with the European Court of Auditors' approach regarding the treatment of such errors. Nevertheless, based on this approach, the resulting calculation leads to a higher risk at closure, than the risk calculated on the basis of errors with financial impact. Without the procedural procurement errors, the amount at risk at closure would be € 4.39 million and 1.74% of the relevant expenditure.

(1) Differentiated for the relevant portfolio segments at a level which is lower than the DG total

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are covered by the Delegated DGs. For Cross Sub-Delegations (Internal Rules Article 12), they remain with the Delegating DGs.

(3) New pre-financing actually paid by out the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). "Pre-financing" is covered as in the context of note 2.5.1 to the Commission annual accounts (i.e. excluding "Other advances to Member States" (note 2.5.2) which is covered on a purely payment-made basis).

"Pre-financing paid/cleared" are always covered by the Delegated DGs, even for Cross Sub-Delegations.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

(5) For the purpose of equivalence with the European Court of Auditors' scope of the Commission's funds with potential exposure to legality & regularity errors (*see the European Court of Auditors' Annual Report methodological Annex 1.1*), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out and adds the previous pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the Detected Error Rates have been used – or an equivalent. For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (*e.g. administrative expenditure, operating subsidies to agencies*) or for expenditure representing a small percentage of relevant expenditure (indirect management/contributions agreements), it is nevertheless recommended that 0.5% be used as a conservative estimate.

(7) Even though to some extent based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex post control systems implemented by the DG over the past years, the AOD *has adjusted or replaced* this historic average for certain low risk control systems in order to come to the best and most conservative estimate of the ex post future corrections to be applied to the reporting year's relevant expenditure for the current programmes (0.5% for decentralized agencies as DG HOME recovers automatically the yearly surplus; and 0% for procurement and indirect management contribution agreements for which no data is available but the share of these control systems in total relevant expenditure is very small).

- **Fraud prevention, detection and correction**

DG HOME has developed and implemented its own anti-fraud strategy since 2013 on the basis of the methodology provided by OLAF. It is updated in regular intervals. It was last updated on 21 February 2018. The next update is scheduled for 2021. Its implementation is being monitored and reported to the management twice a year. All foreseen actions under the accompanying action plan have been implemented.

DG HOME also contributed to the Commission anti-fraud strategy and the implementation of the accompanying action plan, and followed up on 100% of OLAF's financial recommendations.

The results achieved during the year thanks to the anti-fraud measures in place and in alignment with the Commission anti-fraud action plan can be summarised as follows:

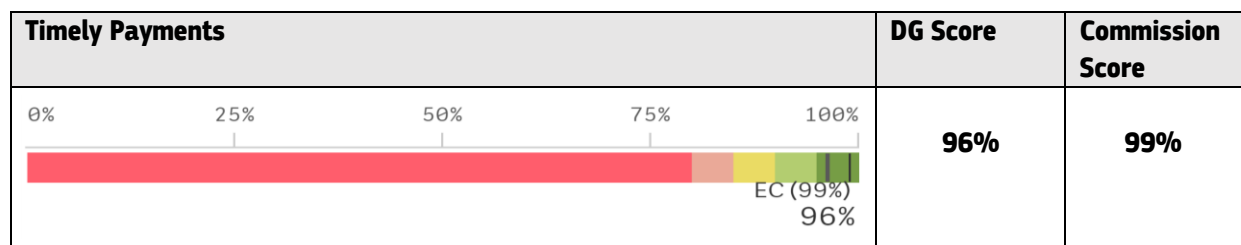
- DG HOME continued its fraud awareness-raising efforts by conducting a staff communication campaign during the first half of 2020 and by organising a training session on OLAF's Irregularity Management System (IMS) with the participation of about 85% of HOME IMS users in the fourth quarter of 2020. The training was also aimed at improving the monitoring of Member States' reporting of irregularities;
- DG HOME continued to analyse and monitor Member States' general anti-corruption policies through the country reports of the 2020 European Semester. DG HOME also led the work on the 27 country chapters of the first Annual Rule of Law report published in September 2020 as regards the anti-corruption frameworks of Member States;
- DG HOME continued its close collaboration with OLAF and the Commission's anti-fraud networks, like the Fraud Prevention and Detection Network (FPDnet), including the sub-group on shared management; and
- DG HOME continued to provide information and administrative support and to collaborate with OLAF selectors and investigators, upon their request.

DG HOME implemented two financial recommendations issued by OLAF following the completion of the investigations.

On the basis of the available information, DG HOME has reasonable assurance that the anti-fraud measures in place are effective.

## ***2. Efficiency = the Timely payment indicators and other efficiency indicators***

DG HOME assessed the efficiency of controls on the basis of "time-to" indicators, which measure the time needed to complete specific procedures. The statistics based on all payments made by DG HOME in 2020 show that 96% of all payments were timely, meaning that the average **late payment rate** was equal to **4%**, hence significantly decreased as compared to 2019 (14%), where this indicator was negatively affected by a couple of late high-value payments under Emergency Assistance.



In 2020, 4% of payments executed by DG HOME were late in terms of value. This was due to a few high-value late payments, which deteriorated the late payment indicator. In particular, 3 payments made to decentralised agencies accounted for 73% of late payments, 22 payments on grants (13%), and 3 payments on contribution agreements (10%).

The total payments made by DG HOME in 2020 were higher than in 2019 (€ 2.48 billion vs € 2.15 billion) while the efficiency indicators also improved, which shows that in general DG HOME managed its resources and processes more efficiently. A closer look at the control systems allows seizing the areas where major improvements were achieved, and where additional efforts will be needed.

In 2020, there were two non-compliance events (one in shared management related to the clearance of accounts and one in procurement related to a late payment) and six exceptions (one on administrative credits and five in procurement (four related to payments and one related to a specific contract extension after expiration of the framework contract)).

There were 2 420 transactions verified by ex ante (4% less than in 2019), 13% of these transactions were sent back for correction (similar rate than in 2019).

#### Control system 1 – shared management

The indicators on efficiency remained steady in 2020: all payments were made on time.

#### Control system 2 – direct management grants

The efficiency indicators show a significant improvement of the situation in "timely payment" (from 86% to 96%) as a result of a higher than in the previous year's proportion of pre-financing payments, which due to their automatic nature do not bear any risk of delay. The 2019 timely payment indicator was also negatively impacted by a couple of late high-value payments under Emergency Assistance. As concerns the time-to-grant and time-to-inform indicators, there is a slight deterioration as compared to 2019. In the case of Union actions, a remarkable evolution in the number of the proposals received and evaluated in 2020 (520 compared to 327, which represents an increase of 59%) at equal human resources, is the underlying reason.

#### Control system 3 – Procurement and Control system 4 – Indirect management

The timely payment indicator did remain stable compared to 2019. For delegation and contribution agreements under indirect management it went from 4% in 2019 to 94% in 2020 due to the fact that 2019 was negatively affected by a couple of late high-value payments under Emergency Assistance.

Based on the above available information, DG HOME could reach a positive conclusion with regard to the efficiency of its entire control system, taking into consideration the continuously high volume of the transactions processed and their higher value in 2020 as compared to previous years, and the steady nature of the indicators.

For further details on payment indicators with details on (time-to) indicators per control system is available in Annex 7.

### **3. *Economy = the estimated cost of controls***

The cost of controls has been estimated at DG HOME level and, separately, at the level of Member States and entrusted entities, for shared and indirect management respectively. The costs at DG HOME level are reported in absolute values and as a percentage of the payments made, globally and broken down by relevant control system and step (as described in Annex 6).

The assessment of the economy of the cost of controls has been carried out through analysis of the evolution over time and in relation to the volume of resources managed.

#### **Cost of controls at DG HOME level**

DG HOME has analysed the estimation of the cost of control in relation with the value of the payments made in 2020 per control system (Annex 6) and over the last three reporting years, to draw conclusions also on the trend. As a basis for the calculation, DG HOME has quantified the full-time equivalents allocated to the control activities, whilst “other direct costs” are mainly represented by externalised audit work and dedicated IT tools for financial management and control.

As a result, the **total estimated cost of the controls** performed in 2020 by DG HOME has been estimated at **€ 16.12 million**.

This confirms a positive trend already seen in previous years<sup>198</sup> (below table). Although the cost of control increased slightly, it is compensated by the increased volume of payments made as compared to 2019, hence revealing an improved performance (from 0.7% in 2019 to 0.66% in 2020). This steady performance represent a significant gain in efficiency achieved by DG HOME, which is explained by the efforts made to provide guidance to Member States, to decentralised agencies and implementing partners. Further, the internal reorganisation of 2019 in DG HOME further contributed to maximizing efficiency and improving the internal procedures for management and control.

A slight decline in the cost effectiveness as regards direct management – public procurement, where the cost of control represents 7.32% compared to 6.05% in 2019 is mainly explained by a stable procurement team in 2020 (as compared to 2019 marked with prolonged vacancies) and lower number (and value) of payments made mostly as a result of COVID-19 pandemic scaling down on many events routinely taking place.

The below table provides exhaustive information on the data analysed by DG HOME to draw this conclusion.

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<sup>198</sup> Although analysis of trend over time may be limited by the introduction of a revised methodology.

|                                                                     | 2020         |                 |                    | 2019         |                 |                    | 2018         |                 |                    |
|---------------------------------------------------------------------|--------------|-----------------|--------------------|--------------|-----------------|--------------------|--------------|-----------------|--------------------|
| Control system                                                      | Costs (M€)   | Payments (M€)   | Costs/payments (%) | Costs (M€)   | Payments (M€)   | Costs/payments (%) | Costs (M€)   | Payments (M€)   | Costs/payments (%) |
| Shared management                                                   | 4,87         | 913,74          | 0,53%              | 5,73         | 799,63          | 0,72%              | 8,43         | 801,72          | 1,05%              |
| Direct management- grants                                           | 5,07         | 436,56          | 1,16%              | 5,28         | 401,98          | 1,31%              | 6,62         | 350,56          | 1,89%              |
| Direct management - public procurement                              | 1,74         | 23,8            | 7,32%              | 1,47         | 24,29           | 6,05%              | 1,96         | 34,85           | 5,63%              |
| Indirect management - Entrusted Entities and Decentralised Agencies | 2,2          | 1059,5          | 0,21%              | 2,58         | 926,32          | 0,28%              | 2,04         | 658,21          | 0,31%              |
| Other                                                               | 2,24         | 0               | N/A                | 0,00         | 2,23            | 0,00%              | 0,28         | 8,34            | 3,32%              |
| <b>Total</b>                                                        | <b>16,12</b> | <b>2.433,60</b> | <b>0,66%</b>       | <b>15,06</b> | <b>2.154,45</b> | <b>0,70%</b>       | <b>19,33</b> | <b>1.853,67</b> | <b>1,04%</b>       |

### Costs of controls at Member State level

DG HOME collected the cost of the controls incurred for the implementation of the AMIF and ISF for the financial year 2020 by responsible and audit authorities (and delegated authorities when applicable) based on the following types of expenditure:

- Supervision to ensure compliance with the designation criteria (Body referred to in Article 26 of Regulation 514/2014);
- Audit Authority staff costs and other costs (such as overheads, training courses, travel);
- Responsible Authority (and Delegated Authority) staff costs and other costs (such as overheads, training courses, travel).

The cumulative cost of control estimated by the Member States is equal to € 29.07 million (€ 28.25 million in 2019). The total amount of the payments requested by the Member States for the financial year was equal to € 1.01 billion (€ 990.08 million in 2019). The ratio of estimated cost of control over the amount of funds Member States managed is equal to 2.87% (2.85% in 2019), thus remained stable, which shows that the implementation of the AMIF and ISF continues at constant pace with the current financial programming period approaching its end.

### Cost of controls at the level of Entrusted Entities

DG HOME reports on the cost of control borne by the entrusted entities at the start of each delegation agreement.

## 4. Conclusion on the cost-effectiveness of controls

**Based on the most relevant key indicators and control results, DG HOME has assessed the effectiveness, efficiency and economy of the control system and reached a positive conclusion on the cost-effectiveness of controls for which it is responsible.**

The positive conclusion was reached on the basis of an estimation of costs of control over the value of the related funds, in the form of indicators and their evolution over time for each distinct control system (Annex 6) using the management indicators reported in detail in Annex 7.

DG HOME has managed to ensure an adequate balance of the following components:

- low error rates (overall total: 2.06%)
- payments made within applicable time limits (acceptable)
- low costs of controls (cost-effectiveness indicator of 0.66%, in 2019: 0.7%)

Moreover, as reported under 'economy', the implementation pace increased over the last years, but this did not correspond to an increase in the cost of controls, on the contrary. DG HOME's control environment and control strategy remained stable during the reporting year and the conclusion on the cost-effectiveness of controls remains unchanged.

At the end of the 2014-2020 programming period, DG HOME as well as the Member States and implementing partners are well equipped to manage and control the funds received from DG HOME.

Based on the results of its control activities carried out in 2020, DG HOME has decided to issue some reservations, which are described in section 2.1.4.

Due to the fact that administrative arrangements, cross sub-delegations and contributions to executive agencies are immaterial (total less than 1% of the total payments of DG HOME), these activities are not detailed further in this report.

## 2.1.2 Audit observations and recommendations

**This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.**

### 2.1.2.1 Audits on DG HOME by the Internal Audit Service in 2020

In January 2020, the Internal Audit Service finalised the audit on *DG HOME audit activity and clearance of accounts*.

From the three recommendations ranked as "very important", DG HOME implemented two recommendations: Recommendation 3 related to clearance of accounts has been already assessed as implemented by the Internal Audit Service; and Recommendation 2 related to execution of the audit plan (with last action implemented at the beginning of 2021) has been sent for review to the Internal Audit Service.

With regard to the two open recommendations ranked as "important", there are two actions still to be implemented in relation to the Multiannual Financial Framework 2021-2027, until 2022.

The audit findings do not put into question the Director-General's declaration of assurance.

More information on these recommendations and their state of play is provided in Annex 7.

With reference to the Internal Audit Service audit on human resources management and staff allocation in DG HOME, DG HOME implemented the last open sub-recommendation by developing criteria to support human resources decisions.

In its contribution to the 2020 Annual Activity Report process, the Internal Audit Service concluded that the internal control systems in DG HOME are *effective*, except for the recommendation ranked as “very important” under the audit *DG HOME audit activity and clearance of accounts* (presented above).

DG HOME has carried out a detailed analysis of the possible impact of the identified issues on the effectiveness of the DG’s internal control system, also taking into account the actions already taken to mitigate the related risks. On the basis of this, DG HOME considers that the residual risk related to the above-mentioned recommendations does not affect in a material way the achievement of the internal control objectives, and therefore the assurance provided in this report.

### **2.1.2.2 Audits on DG HOME by the European Court of Auditors in 2020**

#### **1. Annual discharge**

In its report 2019, the European Court of Auditors presented a dedicated chapter on migration and home affairs (*Chapter 7 Security and Citizenship*). The auditors did not present an error rate for the chapter due to the relatively low level of payments for this policy area in 2019 (around 2% of the EU total).

***In relation to the audit of systems***, the auditors concluded that all the Audit Authorities in shared management had developed and implemented detailed procedures to carry out their audits of sufficient quality, within the requirements of the AMIF and ISF regulations and compliant with audit standards. National Control Reports overall clearly present the work done and support the Audit Authorities’ conclusions. On DG HOME assessment of the Annual Control Reports, checks were considered structured, detailed and complete.

Nevertheless, the European Court of Auditors identified some weaknesses and shortcomings in the work of the audit authorities and issued three recommendations in relation to the need to improve guidance to Member States on sampling, calculation of error rate and audit coverage, as well as on documentation and audit trail. DG HOME accepted the recommendations and will need to implement them by latest end 2021.

The Court reviewed also DG HOME’s 2019 Annual Activity Report and found no information that contradicted the auditors’ findings.

In relation to DG HOME’s accounts, the Court of auditors issued a clean opinion on accounts, mentioning that it has no specific comments to make.

Regarding the 2018 and prior European Court of Auditors Reports, DG HOME has no open recommendations.

In Chapter 4 *Competitiveness for growth and jobs* where the Security research strand of DG HOME is included, there was only one DG HOME/Research Executive Agency project reported. Following the European Court of Auditors’ audit, the error detected was subsequently regularised in 2020 before the publication of the European Court of Auditors’ report (costs became eligible).

#### **2. Annual Performance Report**

In 2020, the European Court of Auditors published for the first time the *Annual Report on the Performance of the EU Budget*. Chapter 5 of the report, *Security and Citizenship*, focuses

on the performance of the Asylum, Migration and Integration Fund (AMIF). The report recognises the AMIF's added value in supporting Member States facing costs and challenges relating to migration. At the same time, it identifies a number of shortcomings related to the implementation of the fund, such as: limitations in performance indicators, gaps in information that ensure objectives are met and unsatisfactory return rates. The European Court of Auditors did not issue any recommendations as part of this report.

### **3. Performance audits**

In 2020, the European Court of Auditors published the Special Report 22/2020 *Future of EU agencies – Potential for more flexibility and cooperation*, which included in the sample, among other agencies, CEPOL, EASO, Frontex, EMCDDA, eu-LISA, and Europol. The European Court of Auditors assessed how well the EU has enabled the agencies to deliver its policies for the public good. The European Court of Auditors concluded that there is a need for more networking and cooperation – as well as more flexibility in the set-up, functioning and possible winding-up of agencies. The European Court of Auditors issued five general horizontal recommendations, but none addressed to HOME.

Furthermore, in 2020, the European Court of Auditors started other audits related to HOME policy areas, a) on Frontex performance, b) EU cooperation on readmission with priority third countries (return policy), c) on Europol support to Member States in combatting migrant smuggling and, d) on EU support to fight against corruption in Ukraine.

In relation to the follow-up of recommendations from previous years audits, DG HOME implemented all the recommendations due for the end of 2020, stemming from two Special Reports published in 2019: *EU information systems supporting border control - a strong tool, but more focus need on timely and complete data* and *Asylum, relocation and return of migrants: Time to step up action to address disparities between objectives and results*.

#### **2.1.2.3 Audits on DG HOME by DG BUDG in 2019 (validation of local systems)**

In relation to the two audits performed by DG BUDG in 2019 for the validation of local systems<sup>199</sup>, DG HOME implemented all recommendations.

**In conclusion, the findings presented by the Internal Audit Service, the European Court of Auditors and DG BUDG do not have any impact on the assurance provided in this Annual Activity Report.**

### **2.1.3 Assessment of the effectiveness of internal control system**

**The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.**

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<sup>199</sup> Report on the validation of local systems for the identification, registration and recovery of receivable amounts in DG HOME; Report on the registration of legal commitments in DG HOME: DG BUDG issued two recommendations rated as "important".

**DG HOME uses the organisational structure and the internal control system suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.**

The effectiveness of its internal control system has been assessed by DG HOME following the methodology established in the *Implementation Guide of the Internal Control Framework of the Commission*.

The assessment has relied on a number of monitoring tools and sources of information including:

- an evaluation of the internal control monitoring criteria for the reference year developed in the context of the Annual Management Plan for 2020 and consisting of quantitative and qualitative indicators in conjunction with pre-set targets and existing baseline values;
- the reported exceptions and non-compliance events;
- the results of the internal control self-assessment (iCAT-survey), which referred to 13 Internal Control Principles, targeted all DG HOME staff and for which the participation was judged sufficient to be representative;
- the results of the monitoring of the implementation of control and anti-fraud strategies;
- the results of the audits performed or followed up by the Internal Audit Service, which concluded that the audited internal control systems are effective, except for the observations giving rise to 'very important' recommendations, which remain to be addressed, in line with the agreed action plans;
- The European Court of Auditors' findings do not undermine the effectiveness of the internal control system in place (more information is provided in section 2.1.2.2);
- the annual risk management exercise; and
- the reports of the Authorising Officers by Sub-Delegation submitted by each Directorate to the Director-General.

**DG HOME has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to authorities and responsibilities, competence framework and professional development, assessment of changes, and control activities.**

**The improvements and/or remedial measures implemented or envisaged are mainly based on the Development Plan for DG HOME and the audit planning.**

## **2.1.4 Conclusions on the assurance**

**This section reviews the assessment of the elements already reported above (in sections 2.1.1, 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.**

### **Overall Conclusion**

**In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in her capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance, albeit qualified by reservations concerning:**

- 1) Shared management – Reservation concerning SOLID funds 2007-2013 in several Member States**
- 2) Shared management – Reservation concerning AMIF and ISF 2014-2020 in several Member States**
- 3) Centralised Direct Management**
- 4) Decentralised agencies – Frontex: Reservation on reputational grounds related to weaknesses identified in the effective implementation of Frontex' new mandate in accordance with good governance and the requirements of the European Border and Coast Guard Regulation.**

**With reference to research grants, DG HOME applied the de minimis rules. Based on the fact that payments for research grants represented 0.45% of 2020 payments and the exposure amounts to € 1.03 million (thus below the threshold of 5%/€ 5 million), no reservation is issued by DG HOME on FP7 and Horizon 2020.**

### **2.1.5 Declaration of Assurance and reservations**

*I, the undersigned,*

***Director-General of Migration and Home Affairs***

***In my capacity as authorising officer by delegation***

***Declare that the information contained in this report gives a true and fair view<sup>200</sup>.***

***State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.***

***This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.***

***Confirm that I am not aware of anything not reported here which could harm the interests of the institution.***

***However the following reservations should be noted:***

- 1) Shared management – Reservation concerning SOLID funds 2007–2013 in several Member States***
- 2) Shared management – Reservation concerning AMIF and ISF 2014–2020 in several Member States***
- 3) Centralised Direct Management***
- 4) Decentralised agencies: Reservation on reputational grounds related to weaknesses identified in the effective implementation of Frontex’ new mandate in accordance with good governance and the requirements of the European Border and Coast Guard Regulation.***

***Brussels, 23 April 2021***

***(e-signed)***

***Monique Pariat***

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<sup>200</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.

**Reservation 1 Shared management – SOLID Funds for the period 2007–2013 in several Member States**

| DG                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Title of the reservation, including its scope</b>                                          | <p>Reservations for management and control systems of the European Fund for the Integration of third-country nationals (EIF), European Refugee Fund (ERF), Return Fund (RF), External Borders Fund (EBF) for the period 2007–2013.</p> <ul style="list-style-type: none"> <li>- European Fund for the integration of third-country nationals (EIF) – closed Annual Programmes up to year 2013: Austria, Ireland</li> <li>- European Refugee Fund (ERF) – closed Annual Programmes up to year 2013: Austria, Ireland</li> <li>- Return Fund (RF) – closed Annual Programmes up to year 2013: Austria, Ireland, Slovakia</li> <li>- External Borders Fund (EBF) – closed Annual Programmes up to year 2013: Austria, Cyprus, Hungary, Lithuania (Special Transit Scheme), Slovakia, Slovenia</li> </ul> |
| <b>Domain</b>                                                                                 | EBF/ERF/EIF/RF are carried out under "Shared management Responsibility"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Programme in which the reservation is made and total (annual) amount of this programme</b> | <p>18 03 Asylum and Migration<br/>18 03 51 Completion of operations and programmes in the field of return, refugees and migration flows<br/>18.02 Internal Security<br/>18 02 51 Completion of operations and programmes in the field of external borders, security and safeguarding liberties</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Reason for the reservation</b>                                                             | Ex post audits carried out by DG HOME have revealed serious deficiencies in management and control systems for the programmes EIF, ERF, RF and EBF in the Member States concerned for the period 2007-2013. In particular these deficiencies refer to high error rates detected through audits of projects; incomplete audit work (i.e. procurement irregularities not detected); deficiencies in management verifications.                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Materiality criterion/criteria</b>                                                         | <p>The materiality criterion is the cumulative Residual Error Rate, i.e. the level of errors that remain undetected and uncorrected, by the end of the management cycle, at a Member State level. The control objective is to ensure that the Residual Error Rate at the level of the specific Member State and Fund is below 2% at the end of the management cycle.</p> <p>Where the Residual Error Rate was above 2% a reservation was made.</p>                                                                                                                                                                                                                                                                                                                                                    |
| <b>Quantification of the impact (= actual "exposure")</b>                                     | <p>Total quantification of the reservation: € 0.00</p> <p>The identified deficiencies have no financial impact on the assurance as no payment was made by DG HOME in 2020 for the Funds and Member States under reservation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Impact on the assurance</b>                                                                | DG HOME has not been able to obtain reasonable assurance that key elements of the management and control systems of the programmes concerned functioned effectively, to provide reasonable assurance that statements of expenditure are correct and that the underlying transactions are legal and regular.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 | The financial impact will be mitigated through financial corrections applied to past expenditure statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Responsibility for the weakness</b>          | The expenditure concerned is under shared management in which the Member State is primarily responsible for implementing the management and control systems. Therefore, the designated national authorities of the programmes concerned are responsible for undertaking corrective measures. The Commission supervises the national authorities in this respect (monitoring of execution of the remedial measures).                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Responsibility for the corrective action</b> | <p>The reservation is maintained for transparency purposes, in order to inform about DG HOME actions on the necessary corrective measures related to the reservation.</p> <p>The reservations for EBF, EIF, ERF and RF are due to ex post audits carried out on the mentioned annual programmes by DG HOME, which concluded that the management and control systems applied by the competent authorities in the concerned Member States worked partially for the mentioned Annual Programmes, with substantial improvements needed.</p> <p>DG HOME has completed the recovery process for the reservations Poland, Belgium and Finland. Concerning the reservations for Austria, Slovenia, Cyprus, Slovakia, Ireland, Lithuania and Hungary, the recovery process is still ongoing.</p> |

**Reservation 2 Shared management – AMIF and ISF for the period 2014–2020 in several Member States**

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DG</b>                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Title of the reservation, including its scope</b> | <p>Reservation concerning the management and control systems for the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF) for the period 2014-2020.</p> <p>Non-quantifiable reservations:</p> <ul style="list-style-type: none"> <li>Denmark ISF</li> <li>Germany ISF</li> <li>Iceland ISF</li> <li>Ireland ISF</li> <li>France AMIF</li> <li>France ISF</li> </ul> <p>Quantifiable reservations:</p> <ul style="list-style-type: none"> <li>Finland AMIF</li> <li>Finland ISF</li> </ul> |
| <b>Domain</b>                                        | AMIF and ISF are carried out under "Shared management Responsibility" under DG Migration and Home Affairs 2014-2020 programmes                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Programme in</b>                                  | 18 03 01 AMIF – Asylum, Migration and Integration Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>which the reservation is made and total (annual) amount of this programme</b> | <p>18 02 01 ISF – Internal Security Fund</p> <p>Payments<sup>201</sup> made in 2020 for the programmes under reservation:</p> <p>Non-quantifiable (weakness refers to payments/accounts prior to 2020)</p> <p>Denmark ISF: € 1 728 971.94</p> <p>Iceland ISF: € 956 030.45</p> <p>Ireland ISF: € 874 583.02</p> <p>Germany ISF: € 20 572 428.22</p> <p>France AMIF: € 53 353 394.22</p> <p>France ISF: € 10 542 469.13</p> <p>Quantifiable</p> <p>Finland AMIF: € 14 375 680.18</p> <p>Finland ISF: € 9 464 782.34</p>                                                                     |
| <b>Reason for the reservation</b>                                                | Serious deficiencies in management and control systems for these programmes detected by DG HOME and for which there is no assurance that the necessary corrective measures have been implemented to date. These deficiencies mainly refer to the controls carried out at national level by the Audit Authority or in the case of France the lack thereof.                                                                                                                                                                                                                                  |
| <b>Materiality criterion/criteria</b>                                            | <p>In shared management, the materiality criterion is the cumulative Residual Error Rate, i.e. the level of errors that remain undetected and uncorrected, by the end of the management cycle, at a Member State level. The control objective is to ensure that the Residual Error Rate at the level of the specific Member State and Fund is below 2% at the end of the management cycle.</p> <p>Where the Residual Error Rate was above 2%, a reservation was made.</p>                                                                                                                  |
| <b>Quantification of the impact (= actual "exposure")</b>                        | <p>Total quantification of the reservation:</p> <p>The financial impact has been determined as being 5% of the relevant expenditure in 2020 for Finland (AMIF/ISF) (€ 15 557 317.47), hence € 777 865.87.</p> <p>Where appropriate, conformity clearance procedures are being initiated. DG will monitor the implementation of the corrective measures improving the system and the amounts retained will only be cleared once adequate assurance is provided.</p>                                                                                                                         |
| <b>Impact on the assurance</b>                                                   | Through its audit work, DG HOME has not been able to obtain reasonable assurance that key elements of the management and control systems of the programmes concerned functioned effectively, to provide reasonable assurance that statements of expenditure are correct and that the underlying transactions are legal and regular. The financial impact will be mitigated through the application of the partial clearance procedure by the retention of 10% of the payment claim cleared in the reporting year and through financial corrections applied to past expenditure statements. |
| <b>Responsibility for the weakness</b>                                           | The expenditure concerned is under shared management in which the Member State is primarily responsible for implementing the management and control systems. Therefore, the designated national                                                                                                                                                                                                                                                                                                                                                                                            |

<sup>201</sup> Figures in this section include both prefinancing payments and payments made in the context of the annual balance

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|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                 | authorities of the programmes are responsible for undertaking corrective measures. DG HOME supervises the national authorities in this respect through monitoring of execution of the remedial measures – corrective action plan following the issuing of the final audit report and application of net financial corrections on past expenditure statement where applicable.                                                                                                                                                                                       |
| <b>Responsibility for the corrective action</b> | The reservations for AMIF/ISF (excluding France) result from system audits carried out on the mentioned annual programmes by DG HOME, which concluded that the management and control systems worked partially with substantial improvements needed. DG HOME will monitor the corrective actions to address system deficiencies and launch conformity clearance procedures (where applicable). If the outcome of the procedure requires so, a recovery order will be issued by DG HOME for the amount paid to Member States and considered as irregular by DG HOME. |

### Reservation 3 Centralised Direct Management

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| <b>DG</b>                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Title of the reservation, including its scope</b>                                          | Financial reservation due to the financial risk corresponding to the Residual Error Rate in the non-audited population of grants in the programmes 2014-2020 managed by DG Migration and Home Affairs (Union actions and emergency assistance grants)                                                                                                                                                                                                                                            |
| <b>Domain</b>                                                                                 | Centralised direct management – Union actions and emergency assistance grants                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Programme in which the reservation is made and total (annual) amount of this programme</b> | 18 02 – Internal Security,<br>18 03 – Asylum and Migration and<br>18 06 – Anti-Drug Policy.<br>Total payments related to directly managed grants in 2020:<br>€ 425.38 million                                                                                                                                                                                                                                                                                                                    |
| <b>Reason for the reservation</b>                                                             | Financial reservation: at the end of 2020, the Residual Error Rate is above the materiality threshold.                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Materiality criterion/criteria</b>                                                         | Financial reservation: The materiality criterion is the cumulative Residual Error Rate, i.e. the level of financial errors that remain undetected and uncorrected, by the end of the management cycle. The control objective is to ensure that the Residual Error Rate on the overall population is below 2% at the end of the management cycle.                                                                                                                                                 |
| <b>Quantification of the impact (= actual "exposure")</b>                                     | Financial reservation: The estimated multiannual Residual Error Rate for DG HOME directly managed grants (Union actions and emergency assistance grants) for 2020 is 2.23% for the programming period 2014-2020. The maximum impact is calculated by multiplying the multiannual Residual Error Rate by the sum of direct management payments based on cost statements actually processed and pre-financings cleared in 2020 (€ 209.21 million). The estimated impact in 2020 is € 4.67 million. |

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| <b>Impact on the assurance</b>                  | Financial reservation: Legality and regularity of the affected transactions, i.e. payments made during the year. The assurance is affected within the scope of the quantified budgetary impact.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Responsibility for the weakness</b>          | <p>The main reason for errors are the following:</p> <ul style="list-style-type: none"> <li>- Programmes managed by DG HOME targeted relatively new policy areas and new beneficiaries who needed to adapt to EU rules.</li> <li>- The complexity of the eligibility rules as laid down in the legal instruments and the Financial Regulation;</li> <li>- The fact that there are hundreds of beneficiaries and co-beneficiaries, making close monitoring a complicated exercise.</li> <li>- The different control provisions set out by DG HOME, along with the audit certificates on financial statements and ex post audits, can mitigate these risks to a certain extent, but can never be carried out on 100% of the cost claims received.</li> </ul> |
| <b>Responsibility for the corrective action</b> | <p>DG HOME continues in its endeavours to reduce errors in particular through the following actions:</p> <ul style="list-style-type: none"> <li>- Streamline and harmonise procedures regarding monitoring and final payment</li> <li>- Simplification of financial circuits</li> <li>- Systematic request for audit certificates accompanying the cost claims.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                 |

#### **Reservation 4 Decentralised agencies: European Border and Coast Guard Agency (Frontex)**

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| <b>DG</b>                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Title of the reservation, including its scope</b>                                          | Reservation on reputational grounds related to weaknesses identified in the effective implementation of Frontex' new mandate in accordance with good governance and the requirements of the European Border and Coast Guard Regulation.                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Domain</b>                                                                                 | Decentralised agencies – European Border and Coast Guard Agency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Programme in which the reservation is made and total (annual) amount of this programme</b> | <p>Budget line 18 02 03</p> <p>Annual EU contribution paid in 2020 to Frontex: € 339.24 million.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Reason for the reservation</b>                                                             | <p>Events involving Frontex that may have a reputational impact on DG HOME were identified in 2020. The Agency has been accused of being involved in alleged push backs in the Eastern Mediterranean, something that is subject to various enquiries, including by the Agency's Management Board. OLAF also opened an investigation into Frontex in 2020. In addition, the implementation of the new mandate of the Agency, including the deployment of the standing corps, carries a (partly materialised) risk of delays. This concerns in particular the timely recruitment and appointment of staff and putting in place the required</p> |

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|                                                           | <p>fundamental rights monitoring and supervisory frameworks, which are subject to considerable delays. These factors were also considered by the European Parliament's Budgetary Control committee when proposing to postpone the 2019 discharge for the Agency. The elements described above could endanger the delivery of the policy objectives related to the implementation of the EU's integrated border management, as well as give rise to reputational risks for the Commission. Based on the above, DG HOME has decided to issue a reservation in the 2020 Annual Activity Report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Materiality criterion/criteria</b>                     | <p>Non-quantified reservation due to several reputational events in 2020. The materiality criteria for this reservation are the following:</p> <ul style="list-style-type: none"> <li>- Significant control system weaknesses;</li> <li>- Critical issues outlined by other control services.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Quantification of the impact (= actual "exposure")</b> | Impact: € 0.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Impact on the assurance</b>                            | Reputational impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Responsibility for the weakness</b>                    | <p>Reputational events as described above.</p> <p>The Agency is subject to a separate discharge in accordance with Article 70 Financial Regulation. There is no additional accountability of the Commission for the implementation of the yearly contribution by the Agency as this is covered by its separate discharge.</p> <p>DG HOME does not have a direct responsibility for the weaknesses as such. Its supervision of the Agency has been carried out according to existing governance arrangements and is not put into question.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Responsibility for the corrective action</b>           | <p>Decentralised agencies are independent bodies. The responsibility for the corrective actions essentially lies with Frontex. As member of the Management Board, the Commission (DG HOME) is actively involved in its monitoring via the active participation of its two representatives. Additionally, the Commission (DG HOME) participated actively in the work of a dedicated Working Group of the Management Board on Fundamental Rights, Legal and Operational Aspects that had inquired into the alleged involvement of Frontex in violation of fundamental rights. The Commission will particularly monitor and contribute to the implementation of the recommendations adopted by the Management Board on the basis of the findings of this group.</p> <p>Within the limits of the overall governance structure in place, the Commission will actively continue to steer, monitor and reinforce its contribution in the various governance bodies of the Agency with a view to preventing such occurrences in the future. The Commission will actively contribute to the design and implementation of measures to be taken by the Agency to address the shortcomings identified, including the necessary improvements in its internal control system.</p> |

## 2.2 Modern and efficient administration – other aspects

To modernise the administration, DG HOME continued in 2020 to work to help staff, management and organisation move to a **more balanced and sustainable working environment**. Having **well-functioning digital solutions** in place became crucial during the **Covid-19 pandemic**. Deliverables relating to this section are detailed in Annex 9.

### 2.2.1 Human resource management

In 2020, DG HOME worked towards reaching the objectives set in the 2020–2024 Strategic Plan of *employing a competent and engaged workforce, and contributing to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business*.

At the end of 2020, DG HOME had **597 staff members**, compared to 590 in 2019. 52% of the middle management positions were held by women.



The **workload remained high** due to the high political interest in security and migration. The Covid-19 pandemic further increased the workload and added pressure on staff. To facilitate, DG HOME reinforced its procedures to continuously **monitor and match workload and resources**: Human Resource matters were monitored at different levels and in different fora; long term absences closely followed-up; and a new policy introduced requiring new legislative initiatives or structures to be accompanied by an analysis of the human resource needs and their availability.

In addition, as a longer-term approach, DG HOME is preparing a **comprehensive workload assessment**, using Unit Management Plans and identifying possible negative priorities. Work has also started on the objective to lead DG HOME to a more structured way of working. At present, discussions are ongoing inside the DG and with the Cabinets in order to establish more efficient working procedures and methods.

With regard to staff engagement and staff wellbeing, implementation of the development plan following the last staff survey is continuing. In 2020, DG HOME drafted a Charter of Values; consulted staff on the new corporate Human Resources Strategy; and supported young talents with two internal calls for expression of interest for future deputy Heads of Unit. The renovation project of DG HOME's entire building was completed.

The annual **Learning Needs Analysis** served as a basis on which DG HOME is building targeted learning paths for teams and individuals. In this context, DG HOME also offered 20 **individual coaching packages** to middle managers as well as other promising talented colleagues and this possibility will continue to remain open.

**Internal communication** work focused on supporting staff during telework, adapting to the new working conditions and enhancing collaboration. For this purpose, DG HOME organised a series of **online lunchtime seminars** and other events – such as a photo competition and a DG HOME Cookbook – to bring all colleagues together. Information was regularly disseminated on DG HOME's Intranet and a dedicated page on Covid-19 was

created and regularly updated. DG HOME also launched its **internal Newsletter** next to fortnightly messages from the Director-General, to support the effort in better information exchange and collaboration amongst colleagues. Supporting different professional **networks** has also been a priority for the internal communication team (e.g. weekly sessions for the Blue Book Trainees).

## 2.2.2 Digital transformation and information management

In 2020, DG HOME worked towards reaching the objectives set in the 2020-2024 Strategic Plan of *using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission*.



**Digital Transformation:** The degree of implementation of the digital strategy principles by the most important IT solution is one of the indicators for digital transformation set in the Strategic Plan. DG HOME participates to the corporate effort in the framework of Coldfusion transformation and Drupal 8 migration.

One of the IT systems, the European Migration Network Information Exchange System, used for collaboration and exchange of information in a secure way across national competent authorities and various networks in the migration domain, has been moved to a more secure infrastructure. The initiatives identified for digital transformation have been further analysed to assess if they can be part of DG HOME's **Modernisation plan**. A potentially ground breaking initiative – assessing the degree of transposition of EU Directives in national legislations using artificial intelligence – has been analysed and a prototype has been produced for further assessment of its business case. Existing systems and new planned ones will contribute to the achievement of the **Commission's Digital Strategy** principles<sup>202</sup> as they aim to reduce the burden on citizens, and increase the efficiency of national and European institutions and bodies, including closer cooperation and collaboration in the domain of Home Affairs.

**Data, information and knowledge management:** The list of key data assets held by DG HOME has been reviewed in 2020 and the related metadata updated in the Commission's corporate data inventory. For each data asset, a contact person has been identified. DG HOME is following the development of data-related services like the 'data governance hub' and the 'data advisory' and intends to benefit from these once they become fully operational.

In collaboration with the Document Management Officer, all filing plans for document management have been updated. Furthermore, the Qualified Electronic Signature has been rolled out in the DG, replacing blue ink signatures mainly for contracts.

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<sup>202</sup> In particular relating to Digital by default, Once Only, User-centric, Cross-border Data-driven and Interoperability.

**Data protection:** DG HOME achieved in 2020 full coverage of its personal data processing operations in the Data Protection Management System<sup>203</sup>. This system will be monitored and updated throughout the year. In terms of awareness raising, DG HOME provided information to the units on data protection, targeted at the practical needs for colleagues in their everyday work. Staff is also being encouraged to participate in the data protection trainings organised by the office of the Data Protection Officer.

The invalidation of the EU–U.S. Privacy Shield (the Schrems II judgement<sup>204</sup>) poses challenges for Commission services transferring **personal data to third countries** or using international cloud services. DG HOME replied to a request from the European Data Protection Supervisor (EDPS) to all EU institutions to map international transfers and report certain categories of transfers, and continues to assess its processing activities in coordination with relevant Commission services and bodies, including the Data Protection Officer. The goal is to minimise the risks by informing all data subjects of the legal situation, in order for operations to comply with EU data protection law.

### 2.2.3 Sound environmental management

DG HOME contributes to the objective of the Eco-Management and Audit Scheme, by which the Commission aims to *lead by example through the reduction of the direct environmental impact of its own activities*.

In 2020, DG HOME's actions to reduce its environmental footprint were very much influenced by the Covid-19 pandemic:

- Teleworking being the default mode for most colleagues during the major part of the year, DG HOME naturally expanded the use of distance communication and teleworking tools and as a result the need for transport to and from the workplace and meeting points was considerably reduced, leading to corresponding reduction in emissions;
- By better acquainting staff with teleworking tools, it is likely that the reduction in carbon footprint will remain at least to some extent even after colleagues return to the office;
- Similarly, reduced presence in the office meant reduced waste in the HOME building.



### 2.2.4 Example of initiatives to improve economy and efficiency of financial and non-financial activities

In relation to **shared management**, DG HOME engaged Member States in the discussion to identify areas where simplified cost can bring the most added value. DG HOME launched in July 2020 a **study on simplified cost options** covering the three future Migration and Home Affairs funds<sup>205</sup>. The study will be finalised in July 2021 and aims to develop simplified cost options in a number of areas across Member States.

In relation to **direct management**, DG HOME will make full use of the simplified cost options established by DG BUDG in relation to Small and medium-sized enterprises.

<sup>203</sup> Implementing the Commission's Data Protection Action Plan, C(2018) 7432 final of 21.10.2019.

<sup>204</sup> <https://curia.europa.eu/juris/liste.jsf?num=C-311/18>

<sup>205</sup> The Asylum, Migration and Integration Fund (AMIF), the Instrument for Financial Support for Border Management and Visa (BMVI) and the Internal Security Fund (ISF).