

Article 7

Budget

1. The financial envelope for the implementation of the Instrument for the period from 1 January 2021 to 31 December 2027 shall be EUR 5 241 000 000 in current prices.
2. As a result of the programme-specific adjustment provided for in Article 5 of Regulation (EU, Euratom) 2020/2093, the amount referred to in paragraph 1 of this Article shall be increased by an additional allocation of EUR 1 000 000 000 in constant 2018 prices as specified in Annex II to that Regulation.
3. The financial envelope shall be used as follows:
 - (a) EUR 3 668 000 000 shall be allocated to the Member States' programmes, of which EUR 200 568 000 shall be allocated to the Special Transit Scheme referred to in Article 17;
 - (b) EUR 1 573 000 000 shall be allocated to the thematic facility referred to in Article 8.
4. The additional allocation referred to in paragraph 2 shall be allocated to the thematic facility referred to in Article 8.
5. At the initiative of the Commission, up to 0,52 % of the financial envelope shall be allocated to technical assistance, as referred to in Article 35 of Regulation (EU) 2021/1060, for the implementation of the Instrument.
6. In accordance with the relevant provisions of their respective association agreements, arrangements shall be made in order to specify the nature and modes of the participation in the Instrument of countries associated with the implementation, application and development of the Schengen *acquis*. As soon as possible after the country concerned has notified its decision to accept the content of the Instrument and to implement it in its internal legal order, in accordance with the relevant association agreement, the Commission shall submit a recommendation to the Council for the opening of negotiations on those arrangements under Article 218(3) TFEU. On receipt of the recommendation, the Council shall act without delay in deciding to authorise the opening of those negotiations. The financial contributions from those countries shall be added to the overall resources available from the financial envelope referred to in paragraph 1.
7. In accordance with Article 26 of Regulation (EU) 2021/1060, up to 5 % of the initial allocation to a Member State from any of the funds under that Regulation under shared management may be transferred to the Instrument under direct or indirect management at the request of that Member State. The Commission shall implement those resources directly in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Those resources shall be used for the benefit of the Member State concerned.

Article 8

General provisions on the implementation of the thematic facility

1. The amount referred to in point (b) of Article 7(3) shall be allocated flexibly through a thematic facility using shared, direct or indirect management as set out in work programmes. Given the internal nature of the Instrument, the thematic facility shall primarily serve internal Union policy in accordance with the specific objectives set out in Article 3(2).

Funding from the thematic facility shall be used for its components, which are as follows:

- (a) specific actions;
- (b) Union actions; and
- (c) emergency assistance as referred to in Article 25.

Technical assistance at the initiative of the Commission, as referred to in Article 35 of Regulation (EU) 2021/1060, shall also receive support from the amount referred to in point (b) of Article 7(3) of this Regulation.

2. Funding from the thematic facility shall address priorities with a high Union added value or be used to respond to urgent needs, in line with agreed Union priorities as reflected in Annex II, including the need to protect the external borders and to prevent and detect cross-border crime at the external borders, in particular migrant smuggling and trafficking in human beings, and irregular immigration, as well as to effectively manage migratory flows and support the common visa policy.

The funding referred to in the first subparagraph of this paragraph, with the exception of funding used for emergency assistance in accordance with Article 25, shall only support the actions listed in Annex III.

3. The Commission shall engage with civil society organisations and relevant networks, in particular with a view to preparing and evaluating the work programmes for Union actions financed under the Instrument.

4. When funding from the thematic facility is provided under direct or indirect management to Member States, the Commission shall ensure that projects affected by a reasoned opinion delivered by the Commission in respect of infringement proceedings under Article 258 TFEU that put in doubt the legality and regularity of expenditure or the performance of projects are not selected.

5. For the purposes of Article 23 and Article 24(2) of Regulation (EU) 2021/1060, where funding from the thematic facility is implemented under shared management, the Member State concerned shall ensure that, and the Commission shall assess whether, the envisaged actions are not affected by a reasoned opinion delivered by the Commission in respect of infringement proceedings under Article 258 TFEU that put in doubt the legality and regularity of expenditure or the performance of the actions.

6. The Commission shall establish the overall amount to be made available for the thematic facility under the annual appropriations of the Union budget.

7. The Commission shall, by means of implementing acts, adopt financing decisions as referred to in Article 110 of the Financial Regulation for the thematic facility identifying objectives and actions to be supported and specifying the amounts for each of the components referred to in the second subparagraph of paragraph 1 of this Article. Financing decisions may be annual or multiannual and may cover one or more components of the thematic facility referred to in the second subparagraph of paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 32(3) of this Regulation.

8. The Commission shall ensure that the distribution of resources among the specific objectives set out in Article 3(2) is fair and transparent. The Commission shall report on the use and the distribution of the thematic facility between the components referred to in the second subparagraph of paragraph 1 of this Article, including on the support provided to actions in or in relation to third countries under the Union actions.

9. Following the adoption of a financing decision as referred to in paragraph 7, the Commission may amend the Member States' programmes accordingly.

SECTION 2

Support and implementation under shared management

Article 9

Scope

1. This section applies to the amount referred to in point (a) of Article 7(3) and the additional resources to be implemented under shared management in accordance with the financing decision for the thematic facility referred to in Article 8.

2. Support under this section shall be implemented under shared management in accordance with Article 63 of the Financial Regulation and Regulation (EU) 2021/1060.