



EUROPEAN PARLIAMENT

2009 - 2014

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*Committee on Foreign Affairs*

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**2010/0395(COD)**

14.6.2011

## **DRAFT OPINION**

of the Committee on Foreign Affairs

for the Committee on Budgets  
for the Committee on Budgetary Control

on the proposal for a regulation of the European Parliament and of the Council  
on the financial rules applicable to the annual budget of the Union  
(COM(2010)0815 – C7-0016/2011 – 2010/0395(COD))

Rapporteur: Franziska Katharina Brantner

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## SHORT JUSTIFICATION

The proposed revision of financial regulation comes at a historically significant moment for the European Union after the Lisbon Treaty. In the current process of transition towards democracy in the South, it could also facilitate the Union's task to implement the new neighbourhood policy in an effective way. The revision should be seen as an opportunity to strengthen the European external policy.

To this extent the reform of financial regulation should ensure:

- flexibility and rapidity in disbursing financial assistance to third ODA eligible countries;
- particular measures for rapid disbursement in a crisis situations including countries undergoing a transition towards democratisation. This should also result in simplification of administrative procedures and elimination of red tape, allowing civil society organisations, small non profit organisations and single entities in urgent need of protection to have a facilitated access to EU funding.
- sound coordination with international donors when EU funding is to channelled through international organisation authorising retroactive payments, eliminating redundant controls and increasing the tolerance of error in very specific and exceptional cases linked again to crisis situation or humanitarian needs and taking into account the costs and benefits of controls;
- a reduction of the administrative burden, in particular in grants procedures;
- the possibility of creating EU Trust funds that will allow pooling of funds from multiple sources (Member States, Union Budget, third countries).

## AMENDMENTS

The Committee on Foreign Affairs calls on the Committee on Budgets and the Committee on Budgetary Control, as the committees responsible, to incorporate the following amendments in their report:

### Amendment 1

#### Proposal for a regulation Recital 48

##### *Text proposed by the Commission*

(48) As regards the specific provisions relating to the implementation of external actions, it is necessary to adapt them to the

##### *Amendment*

(48) As regards the specific provisions relating to the implementation of external actions, it is necessary to adapt them to the

changes proposed for the methods of implementation.

changes proposed for the methods of implementation *and to propose a differentiated approach when the European Union is required to respond to humanitarian emergencies, international crises or third countries undergoing a process of democratic transition.*

Or. en

## Amendment 2

### Proposal for a regulation Article 23 – paragraph 2

*Text proposed by the Commission*

**2. The Commission may, within its own section of the budget, decide on the following transfer appropriations from one title to another, provided it informs immediately the budgetary authority of its decision:**

**(a) transfer appropriations from the "provisions" title referred to in Article 43, where the only condition to lift the reserve lies in the adoption of a basic act in accordance with the ordinary legislative procedure foreseen in Article 294 TFEU;**

**(b) in duly substantiated exceptional cases of international humanitarian disasters and crises, occurring after 1 December of the budgetary year, the Commission may transfer unused budgetary appropriations for the current budgetary year still available in the budget titles falling under**

*Amendment*

**2. In duly reasoned exceptional cases of international humanitarian disasters and crises, occurring after 1 December of the budgetary year, the Commission may transfer unused budgetary appropriations for the current budgetary year still available in the budget titles falling under heading 4 of the multiannual financial framework to the budget titles concerning crisis management aid and humanitarian aid operations.**

**The Commission shall inform the two branches of the budgetary authority immediately after making such transfers or such use.**

*heading 4 of the multiannual financial framework to the budget titles concerning the crisis management aid and humanitarian aid operations.*

Or. en

### **Amendment 3**

#### **Proposal for a regulation**

#### **Article 46 – paragraph 1 – point e**

*Text proposed by the Commission*

(e) the total amount of CFSP expenditure shall be entered into one budget chapter, entitled CFSP, with specific budgetary articles. Those articles shall cover CFSP expenditure and shall contain specific budget *lines identifying at least the single major missions*.

*Amendment*

(e) the total amount of CFSP expenditure shall be entered into one budget chapter, entitled CFSP, with specific budgetary articles. Those articles shall cover CFSP expenditure and shall contain *a* specific budget *line per mission*.

Or. en

### **Amendment 4**

#### **Proposal for a regulation**

#### **Article 53 – paragraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

*4a. In relation to Delegations outside the Union, the EEAS may in exceptional circumstances, and on a temporary basis, delegate its powers of budget implementation concerning the administrative appropriations of its own section to agents of the European Commission in order to ensure the continuity of operations in the Union's Delegations.*

Or. en

## Amendment 5

### Proposal for a regulation

#### Article 55 – paragraph 1 – point b – subpoint vi

##### *Text proposed by the Commission*

(vi) public law bodies or bodies governed by private law with a public service mission as far as **these latter** provide adequate financial guarantees;

##### *Amendment*

(vi) **European groupings of** public law bodies or bodies governed by private law with a public service mission as far as **they** provide adequate financial guarantees, **or public law bodies**;

Or. en

## Amendment 6

### Proposal for a regulation

#### Article 57 – paragraph 2 – subparagraph 2

##### *Text proposed by the Commission*

Persons referred to in point (viii) of Article 55(1)(b) may satisfy **these** requirements progressively. They shall adopt their financial rules with the Commission's prior consent.

##### *Amendment*

Persons referred to in point (viii) of Article 55(1)(b) may satisfy **the** requirements ***laid down in points (a) to (e) of this paragraph*** progressively. They shall adopt their financial rules with the Commission's prior consent.

Or. en

## Amendment 7

### Proposal for a regulation

#### Article 83 – paragraph 1

##### *Text proposed by the Commission*

1. **In** respect of any measure which may give rise to expenditure chargeable to the budget, the authorising officer responsible must first make a budgetary commitment before entering into a legal obligation with third parties or transferring funds to a trust

##### *Amendment*

1. **Notwithstanding Article 82, in** respect of any measure which may give rise to expenditure chargeable to the budget, the authorising officer responsible must first make a budgetary commitment before entering into a legal obligation with third parties or transferring funds to a trust fund

fund on the basis of Article 178.

on the basis of Article 178.

***However, in the case of humanitarian aid operations, civil protection operations and crisis management aid, and when the urgency of the situation so demands, the registration of the amounts may be done immediately after the signature of the corresponding individual legal commitment.***

Or. en

## **Amendment 8**

### **Proposal for a regulation**

#### **Article 83 – paragraph 3 – subparagraph 4**

##### *Text proposed by the Commission*

The amount of each individual legal commitment adopted following a global commitment shall, prior to signature, be registered by the authorising officer responsible in the budgetary accounts and booked to the global commitment. ***In case of humanitarian aid operations, civil protection operations and crisis management aid, and when the urgency justifies it, the registration of the amounts may be done immediately after the signature of the corresponding individual legal commitment.***

##### *Amendment*

The amount of each individual legal commitment adopted following a global commitment shall, prior to signature, be registered by the authorising officer responsible in the budgetary accounts and booked to the global commitment.

Or. en

## **Amendment 9**

### **Proposal for a regulation**

#### **Article 102 – paragraph 4 a (new)**

##### *Text proposed by the Commission*

##### *Amendment*

***4a. Access to authorities of third countries shall be permissible only when the rules laid down in Article 9 of Regulation (EC) No 45/2001 are fulfilled and after an evaluation on a case-by-case basis.***

## Amendment 10

### Proposal for a regulation

#### Article 120 – paragraph 1 – subparagraph 2

##### *Text proposed by the Commission*

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application, save in duly substantiated exceptional cases as provided for in the basic act or in case of extreme urgency for crisis management aid, civil protection operations **and** humanitarian aid operations.

##### *Amendment*

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application, save in duly substantiated exceptional cases as provided for in the basic act or in case of extreme urgency for crisis management aid, civil protection operations, humanitarian aid operations ***and in situations posing a threat to democracy or threatening to escalate into armed conflict.***

Or. en

## Amendment 11

### Proposal for a regulation

#### Article 178 – paragraph 2

##### *Text proposed by the Commission*

The contributions of the Union and the donors shall be entered into a specific bank account. These contributions are not integrated in the budget and are managed by the Commission under the responsibility of the authorising officer by delegation. The entities and persons referred to in ***point (b)*** of Article 55(1) may be entrusted with budget implementation tasks in accordance with the relevant rules for indirect management.

##### *Amendment*

The contributions of the Union and the donors shall be entered into a specific bank account. These contributions are not integrated in the budget and are managed by the Commission under the responsibility of the authorising officer by delegation. ***Article 55(3) shall apply.*** The entities and persons referred to in ***points (iv) and (viii)*** of Article 55(1)(b) may be entrusted with budget implementation tasks in accordance with the relevant rules for indirect management.

Or. en

## **Amendment 12**

### **Proposal for a regulation Article 178 a (new)**

*Text proposed by the Commission*

*Amendment*

#### **Article 178a**

##### **General Budget Support**

***1. Where provided for in the relevant basic acts, the Commission may use general budget support in a third country if the partner country has defined a reliable programme for the improvement of its public financial management rendering it sufficiently transparent, reliable and efficient.***

***2. The Commission shall include in the corresponding financing agreements concluded in accordance with Article 176(2), the appropriate provisions whereby the beneficiary country concerned undertakes to reimburse all or part of the relevant project cost immediately in the event of its being established that the management of the Union funds concerned has been vitiated by serious irregularities.***

***For the purposes of processing such reimbursement, Article 77(1) concerning recovery by offsetting may be applied.***

***3. The Commission shall support the development of parliamentary control and audit capacities, and civil society monitoring to increase transparency and public access to information.***

Or. en

## Amendment 13

### Proposal for a regulation Article 182 – paragraph 2

#### *Text proposed by the Commission*

2. In cases referred to in Article 51, it may be decided, ***under exceptional circumstances duly motivated*** by the authorizing officer, to allow third-country nationals other than those referred to in paragraph 1 to tender for contracts.

#### *Amendment*

2. In cases referred to in Article 51, it may be decided by the authorizing officer to allow third-country nationals other than those referred to in paragraph 1 to tender for contracts.

Or. en