



# EURO-MEDITERRANEAN PARLIAMENTARY ASSEMBLY



## *WORKING GROUP ON FINANCING OF THE ASSEMBLY AND REVISION OF THE EMPA RULES OF PROCEDURE*

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### **MINUTES**

of the meeting of 02 December 2010, from 09.30 to 12.00  
BRUSSELS

The meeting opened at 09.35 on 02 December 2010, with Mr. Gianni Pittella in chair.

Were present:

#### **Members of the Working Group:**

Miloud Chorfi (Vice-Chair) and Fatima Chellouche (Algeria); Tokia Saifi (EP); Akif Akkus (Turkey).

#### **Non-members of the Working Group:**

Mohamed-Kamel Rezgui (Algeria).

Ms. Afifa Salah (Tunisia) was represented by Mr. Tarek Ben M'Barek, Expert.

### **1. ADOPTION OF AGENDA**

The Chair proposed changing the order of the points on the draft agenda, in particular to consider the point 5 ("Exchange of views on a PA UfM Financial Regulation") immediately after the adoption of the minutes of 5 March (point 2), in order to allow Mr. Didier Klethi, Director for Budget and Finances within the European Parliament, invited to explain the proposed Financial Regulation, to make his presentation and then attend another meeting held at the same time as the WG's meeting.

The agenda was approved as proposed by the Chair.

### **2. ADOPTION OF MINUTES OF THE MEETING ON 5 MARCH 2010**

The minutes of the meeting on 5 March 2010 were adopted.

### 3. EXCHANGE OF VIEWS ON A PA UfM FINANCIAL REGULATION

The Chair gave the floor to Mr. Klethi, in order to present to the members the proposed Financial Regulation.

Mr. Klethi reminded the approval, by the EP Bureau, of the Parliament's financial contribution to the PA UfM future budget, amounting to 176.319 Euros.

He pointed out that the proposed amendments to the PA UfM Rules of Procedure grant the Assembly the authority to outline and to establish the Financial Regulation that would apply, whilst also giving the Assembly the possibility to amend it if/when its implementation would prove amendments or fine tuning are needed.

The proposed Financial Regulation is meant to be a robust and transparent one and to include the future Secretariat of the Assembly among the actors who have a role to play in the establishment of the annual budget. Therefore, the Secretariat should be recognised as an institutional entity in order to be compatible with the requirements it must comply with within the Assembly. Though inspired from the Financial regulation of the European community, the PA UfM draft financial regulation has been tailored to suit the dimensions and the duties of the Assembly and to be a pragmatic tool which can be easily implemented in practical terms.

Mr. Klethi presented briefly the structure of the draft Financial regulation, which is divided into 10 titles:

1. Scope
2. Budgetary principles: principle of unity (*there is only one budget*) and accuracy (*any expenditure must be considered necessary for the Assembly - for instance, the Regulation stipulates that Members' travel expenditures are the direct responsibility of their respective Parliaments*), principle of annuality (*the budget is established and executed on an annual basis*), principle of equilibrium (*there can be no budgetary deficit, and no loans to cover any potential deficit*), principle of unit of account (*the budget should be drawn up and implemented in a certain currency - in fact, the Euro*), principle of universality (*total revenue shall cover total expenditure*), principle of specification (*practical structure of the budget, providing for specific purpose of expenditure, such as, for instance, interpretation or translation costs*), principle of sound financial management (*the funds should be used in accordance with principles of economy, efficiency and effectiveness*), and the principle of transparency (*the budget should be public, published on the Assembly's website*).

3. Establishment and structure of the budget - it is proposed that the Secretary General prepares the draft budget, the Bureau adopts it, on the basis of a consensus with the members of the Assembly, and the final adoption would be done by the Assembly.

For the structure of the budget, which has to be legal and transparent, general statements for revenue and for expenditure are provided for.

However, a clear legal recognition is needed in order to enable the application of those provisions.

4. Implementation of the budget - the title provides for the roles the different entities involved must play: the Secretary General would perform the duties of the authorising officer. The reference, under this title, to the duties of authorising officer and of the other financial actors was drafted with a view to ensure the protection of the Assembly's financial interests.

5. Procurement - very brief title, since the level of the budget, and that of the envisaged appropriations of the Assembly would not, at least at the beginning, put any problems as far as participation to public procurement markets is concerned.
6. Presentation of the accounts and accounting
7. External audit and discharge - the Assembly should be subject to a discharge and to an external audit
8. Assembly fund
9. Contribution to the budget - the financial contributions of the member Parliaments would be established on the basis of a decision taken by the Plenary
10. Final provisions

The Chair pointed out that the proposed Financial Regulation takes into account the characteristics and structure of our Assembly, such as the rotating Presidency or the holding of one yearly Plenary meeting in March, as well as the structure of the Secretariat as approved at the Amman Plenary on 14 March 2010.

Mr. Rezgui requested more explanations on the provisions under the article referring to public procurement, in particular those mentioning the EC Financial Regulation.

Referring to Article 9, on the cancellation of the appropriations that have not been used by the end of the financial year for which they were entered, he proposed that - on a transitional basis, until the budget would be properly set up and implemented - the appropriations non-utilised at the end of the financial year be transferred to the next year, instead of being cancelled.

Mr. Rezgui suggested that a specialised body should be set up within the Assembly - such as a small financial Working Group, or even a group within the Working Group on Financing of the Assembly and Revision of the Rules of Procedure, with the task to prepare the draft budget and present it to the Bureau and the Assembly.

Mr. Ben M'Barek, on behalf of the Tunisian delegation, was of the opinion that the Bureau - composed of the President of the Assembly and the three Vice-Presidents - was not sufficient to prepare the draft budget. He supported, therefore, the proposal of the Algerian delegation regarding the creation of a financial body to prepare the draft budget for the subsequent year.

Mr. Ben M'Barek suggested that the draft Financial Regulation should also include provisions for the case in which the budget for a certain year would not be adopted, in order to allow the running of the Assembly's activities until such a problem could be solved.

In reply to the participants' questions, Mr. Klethi explained the provisions concerning the public procurement in the EC Financial Regulation (Title 5), such as the types of different public procurement markets, and the relevant procedures to be applied: for low value markets the procedures (below 50.000 Euros) are more flexible and quicker, while for markets exceeding a certain value (200.000 Euros), published invitations to tender are required. Such rules give the financial contributors the possibility to monitor the use of public resources, thus they are necessary in the financial regulation.

On the proposal concerning the temporary transfer of appropriations not used by the end of the financial year, to the next year, in order to overcome problems that might arise at the starting up of the implementation of the budget and to ensure continuity, Mr. Klethi pointed

out that that could be solved by amending Art. 66 of the draft Financial Regulation, which proposes the establishment of a rolling fund which could be funded, if agreed, through the balance of the first financial year.

Mr. Klethi agreed with the suggestion of a financial body which should be set up with the task to prepare and present the draft budget, and emphasized that such a decision, as well as on the structure of such a body, is to be taken by the Assembly.

The Chair suggested that the WG, already having the matters related to financing of the Assembly within its mandate, should be charged to examine the annual draft budget and submit it to the Bureau.

In order to enable the members absent to define their position on the proposed Financial Regulation, the Chair requested that any amendments to the draft be sent to the Secretariat of the Working Group within one week. He also asked Mr. Klethi to put forward some contributions on the issues discussed.

#### **4. CHAIRMAN'S ANNOUNCEMENTS**

The Chair presented the excuses received from the Luxembourgish delegation for their absence to the meeting.

The participants heard the Chair who recalled the decisions taken with a view to boost the Assembly's statute and presented the state of play on that matter:

1. On 14 March, in Amman, the Plenary approved the proposals of the Working Group on different important issues:

- the setting up a small-scale Secretariat in Brussels
- the principle of an operational budget of 608.720 Euros
- a new composition for the Assembly's committees, in order to accommodate the new members: Albania, Monaco, Mauritania, Bosnia and Herzegovina, Croatia and Montenegro, to be applied as from 2012.

Another important decision, taken at the proposal of the Political Committee, was the change of the Assembly's name, now called the Parliamentary Assembly of the Union for the Mediterranean. That decision was further endorsed by the Bureau at its meeting on 18 June in Palermo and consequently officially communicated by the Italian Presidency to the member Parliaments and to the UfM institutions.

The Chair summarized the steps undertaken by the European Parliament for the implementation of the PA UfM decision concerning the setting up of the secretariat and of the budget:

- on 8 March 2010, prior to the Amman plenary session on 13-14 March 2010, the European Parliament's Bureau had endorsed the proposals regarding the EP's contribution to both the PA UfM Secretariat - such as hosting the Secretariat - and to its budget (176.319 Euros).
- following the Amman Plenary, a project team was set up within the EP, at administrative level, to consider and propose concrete measures to be undertaken by the EP in order to implement the PA UfM Plenary's decision and to fulfil its commitments.

- the setting up of both the secretariat and the budget require the conclusion of a legal agreement with the Belgian authorities, in order to grant the Assembly the legal personality. Such a legal personality is imperative for allowing the Secretariat to start its work, to implement the budget, to open a bank account for gathering the financial contributions from the members Parliaments, for managing services contracts (e.g. for interpretation), etc.
- on the basis of proposals made by that project team, the EP Bureau agreed that the PA UfM Secretariat will be hosted in offices the EP will rent in the vicinity of its buildings in Brussels. Moreover, it endorsed once again the EP delegation's commitment for the 176.319 Euros contribution to the PA UfM budget.
- at political level, in order to achieve the legal status for the PA UfM, the EP Bureau, on last 6 October, mandated Vice-Presidents Gianni Pittella (Chair of the PA UfM WG on Rules of Procedure) and Isabelle Durant (responsible within the EP Bureau for the relations with the Belgian Government) to negotiate with the Belgian authorities a Headquarters Agreement and a legal status for the Assembly.
- seeking a strong political support for the establishment of the PA-UfM Secretariat, the EP President addressed a letter in this regard to Prime Minister Yves Leterme.

On 12 November, in Rome, the PA UfM Bureau gave the Chair of the WG the mandate to undertake the negotiations with the Belgian authorities on its behalf as well.

A letter similar to that of the EP's President was also sent to Mr. Leterme by the two Italian Co-Presidents of the Assembly, on 12 November.

2. The Chair presented the outcome of the two PA UfM Bureau meetings that took place since the Plenary in Amman:

a. 18 June, in Palermo:

- the Italian Presidency presented its political priorities, such as increasing the efficiency of the Assembly's activities and improving its role and statute within the institutional framework of the UfM. The Italian Presidency committed itself to support the Assembly and ensure that it is represented at all meetings organised by the executive branch of the UfM;
- the Bureau discussed the state of play of the UfM activities and adopted a Statement on that;
- agreement could not be reached on a statement on the Middle East peace process, and in particular on the attack against the Gaza flotilla;
- the Bureau mandated the WG to continue its work on the necessary amendments to the Rules of Procedure and on a draft Financial Regulation;
- the mission statement and the statute of the Secretariat would be considered by the Bureau once its functioning would be clarified;
- on Mr. Rezgui's proposal concerning the modification of the Bureau's composition, so that to include the Vice-Presidents of Committees and Working Groups, the Bureau considered that such a modification would have an important impact on the functioning of the Assembly, such as the rotating Presidency of the Assembly, ensured by the members of the Bureau. Moreover, since the agreement on the principle defining the composition of the Bureau was made during the negotiations undertaken

for the creation of the Assembly, the Bureau decided that the current composition should be maintained.

b. on 12 November, in Rome:

- the Bureau adopted a Statement in which it regretted the postponement of the UfM Summit scheduled to take place on 21 November 2010 and it reiterated its request to the UfM Heads of State and Government to recognise the PA UfM as the Union's parliamentary institution. It also pointed out that the functioning of the UfM bodies and the implementation of the UfM projects must not be linked to progress in the MEPP;
- the Bureau mandated the Chair of the Working Group to negotiate, on its behalf, with the Belgian authorities, the Secretariat's legal personality.

Mr. Rezgui complained about the Bureau's rejection of the amendment to the Rules of Procedure he had proposed and considered that the proposal to extend the participation to the enlarged Bureau meetings to Vice-chairs of Committees and Working Groups would enable the delegations which do not have the Chairmanship of any of the Committees or Working Groups to participate to those meetings. He reiterated his request to receive the minutes of the Bureau meetings, such as the ones of the recent meeting held on 12 November 2010 in Rome. Mr. Rezgui deplored the lack of agreement, at Bureau level, on condemning the attack on the Gaza flotilla and expressed his concern and disappointment on the postponement of the UfM Summit.

Mr. Ben M'Barek, supporting Mr. Rezgui's position, considered that communication channels within the Assembly should be improved and the delegations should receive all relevant information. He expressed concern about the pace of developments within the Assembly, such as the long delayed decision on the setting up of the rotating secretariat, which was taken after several years of discussions. In contrast, he pointed to the activity of the PAM, established several years after the PA UfM, but which has already a permanent secretariat and is very active. Mr. Ben M'Barek emphasized the support of the Tunisian delegation for the establishment of a permanent secretariat for the PA UfM, with a permanent Secretary General, to ensure a more efficient follow-up of the decisions taken by the Assembly.

The Chair explained that the Minutes of the last Bureau meeting on 12 November have not been adopted yet, and therefore they cannot be published or distributed yet. He committed to reiterate to the Bureau the participants' requests for faster flow of information to the member delegations. On the question of the Gaza flotilla attack, the Chair mentioned the European Parliament's position, stated in the Resolution it adopted on that topic in June, and expressed his regrets for not reaching an agreement on a PA UfM Bureau statement on that at the Bureau meeting in June in Palermo, .

On the Secretariat issue, the Chair expressed the view that the PA UfM, having approved the creation of a Secretariat and a budget, is going in the right direction. The obtaining of a legal personality for the Secretariat would further contribute to improving the Assembly's statute and enabling the functioning of a small, but stable Secretariat. Therefore, the Chair was of the opinion that the follow-up of the Assembly's decisions has been ensured and results have been achieved, even though the process was long.

Mr. Rezgui stated that, by rejecting his amendment, the PA UfM Bureau has gone beyond its prerogatives since, according to Article 16 of the Rules of Procedure, one member can table

amendments which should be sent to the member delegations for discussion. Therefore, he requested that the amendment he proposed be sent by the Bureau to the Assembly's members.

The Chair suggested that the Algerian delegation sends a formal amendment to the Bureau, in line with the Rules of Procedure.

## **5. EXCHANGE OF VIEWS ON AMENDMENTS TO THE PA UFM RULES OF PROCEDURE NECESSARY TO ENABLE THE IMPLEMENTATION OF A PA UFM BUDGET**

The Chair recalled that the PA UfM Rules of Procedure have to be modified in order to enable the implementation of the budget. Such amendments have been previously discussed by the Working Group and then approved, with some modifications, by the Bureau, on 15 March 2009. However, they were not adopted by the Plenary in March 2009, since the proposal for setting up the budget was not approved.

After the Plenary's agreement in Amman in March 2010 on the setting up of a budget, the Chair mandated, on 18 June 2010, the Working Group to re-discuss the needed amendments.

The amendments proposed in the table distributed to the members specify the procedures of adoption of the budget, modify the articles concerning the funding of the different activities, and define the relevant responsibilities of the Secretary General.

The Chair opened the debate on the proposed modifications.

Mr. Akkus reiterated the amendment proposed by the Turkish delegation, which provides for a diplomatic status, with the relevant immunities and privileges, for the staff of the secretariat. He expressed the view that the current arrangements for the Secretariat, with no budget foreseen to be allocated for staff members - to will be paid by their respective national Parliaments - and without any privileges and immunities, would make very difficult the appointment of the staff members.

Mr. Rezgui suggested the addition, in the proposed new articles 3.5 and 4.7, of the reference to the previously mentioned Finance Committee, or Working Group, which should do the preparatory work for the draft budget, before that is submitted to the Bureau and the Plenary.

Mr. Rezgui recalled the discussion held previously within the Working Group on the languages in which interpretation would be provided for the meetings of the Assembly's bodies, and the proposal of the Working Group that the three working languages be used for committees' and working groups' meetings, and eight languages be used for the plenary sittings. Therefore he suggested that Art. 14 should be rendered more explicit.

Mr. Rezgui raised the question of the position of accounting officer, who should be under the authority of the Secretary General. That would come in contradiction with the approved rotating structure of the Secretariat, which implies that each staff member would play the role of the Secretary General during the year when his/her Parliament would hold the Presidency of the Assembly. Therefore he considered that the proposed amendment to Article 15.1 should be revised.

The Chair pointed out that the granting of diplomatic privileges and immunities to the staff of the Secretariat requires the fulfilment of two conditions: a legal personality of the Secretariat and the recognition of the Assembly's role within the UfM. Once those conditions will be met, the question raised by the Turkish delegation could be considered.

Regarding Mr. Rezgui's suggestions, the Chair reiterated the request that the proposed

amendments be sent in writing within one week, so that they could be submitted to the approval of the Working Group, together with the other amendments.

**6. ANY OTHER BUSINESS**

**7. DATE AND PLACE OF NEXT MEETING**

The next meeting will be held around the end of January, the date will be announced within one week.