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*Committee on Foreign Affairs*

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**2010/0054(COD)**

21.9.2010

## **OPINION**

of the Committee on Foreign Affairs

for the Committee on Budgets and Committee on Budgetary Control

on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, as regards the European External Action Service (COM(2010)0085 – C7-0086/2010 – 2010/0054(COD))

Rapporteur: Göran Färm

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## AMENDMENTS

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

### Amendment 1

#### Proposal for a regulation – amending act Recital 1

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

(1) Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (hereinafter the Financial Regulation), lays down the budgetary principles and financial rules which should be respected in all legislative acts. It is necessary to amend certain provisions of the Financial Regulation in order to take account of the amendments introduced by the Treaty of Lisbon.

##### *Amendment*

(1) Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (hereinafter the Financial Regulation), lays down the budgetary principles and financial rules which should be respected in all legislative acts. It is necessary to amend certain provisions of the Financial Regulation in order to take account of the amendments introduced by the Treaty of Lisbon ***and of the establishment of the European External Action Service, pursuant to Council Decision 2010/427/EU of 26 July 2010<sup>1</sup> establishing the organisation and functioning of the European External Action Service.***

<sup>1</sup> OJ L 201, 3.8.2010, p.30.

### Amendment 2

#### Proposal for a regulation – amending act Recital 2

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

(2) The Treaty of Lisbon establishes a European External Action Service (hereinafter “EEAS”). According to ***the conclusions of the European Council of***

##### *Amendment*

(2) The Treaty of Lisbon establishes a European External Action Service (hereinafter “EEAS”). According to ***Council Decision 2010/427/EU of 26 July***

29 and 30 October 2009, the EEAS is a service of a sui generis nature and should be treated as an institution for the purposes of the Financial Regulation.

2010<sup>1</sup> establishing the organisation and functioning of the European External Action Service, the EEAS is to be treated as an institution for the purposes of the Financial Regulation.

<sup>1</sup> OJ L 201, 3.8.2010, p.30

### Amendment 3

#### Proposal for a regulation – amending act Recital 3

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

(3) Given that the EEAS should be treated as an institution for the purposes of the Financial Regulation, the European Parliament is to grant discharge to the EEAS for the implementation of the appropriations voted in the EEAS section of the Budget. The European Parliament should also continue to grant discharge to the Commission for the implementation of Commission's section of the Budget, including operational appropriations implemented by Heads of Delegations who are sub-delegated authorising officers of the Commission.

##### *Amendment*

(3) Given that the EEAS should be treated as an institution for the purposes of the Financial Regulation, the European Parliament is to grant discharge to the EEAS for the implementation of the appropriations voted in the EEAS section of the Budget. ***In this context, the EEAS should be fully subject to the procedures provided for in Article 319 of the Treaty on the Functioning of the European Union and in Articles 145 to 147 of the Financial Regulation. The EEAS should fully cooperate with institutions involved in the discharge procedure and provide, as appropriate, the additional necessary information, including through attendance in meetings of the relevant bodies.*** The European Parliament should also continue to grant discharge to the Commission for the implementation of Commission's section of the Budget, including operational appropriations implemented by Heads of Delegations who are sub-delegated authorising officers of the Commission. ***Given the complexity of this structure, high-standard provisions on traceability and budgetary and financial accountability need to be applied.***

## Amendment 4

### Proposal for a regulation – amending act Recital 4

#### *Text proposed by the Commission*

(4) The Lisbon Treaty foresees that Commission Delegations become part of the EEAS as Union Delegations. In order to ensure their efficient management, all administrative and support expenditure of Union Delegations which finance common costs should be executed by a single support service. To that effect, the Financial Regulation should foresee the possibility for detailed rules, to be agreed with the Commission, in order to facilitate the implementation of the Union Delegations' **operating** appropriations entered in the EEAS **and the Council sections** of the Budget.

#### *Amendment*

(4) The Lisbon Treaty foresees that Commission Delegations become part of the EEAS as Union Delegations. In order to ensure their efficient management, all administrative and support expenditure of Union Delegations which finance common costs should be executed by a single support service. To that effect, the Financial Regulation should foresee the possibility for detailed rules, to be agreed with the Commission, in order to facilitate the implementation of the Union Delegations' appropriations entered in the EEAS **section** of the Budget.

## Amendment 5

### Proposal for a regulation – amending act Recital 5

#### *Text proposed by the Commission*

(5) It is necessary to ensure the continuity of the functioning of Union Delegations and in particular the continuity and efficiency in the management of external aid by the Delegations. Therefore the Commission should be authorised to subdelegate its powers of budget implementation of operational expenditure to Heads of Union Delegations belonging to EEAS as a separate institution. Furthermore, where the Commission implements the budget under direct centralised management, it should be allowed to do so also through sub-delegation to Heads of Union Delegations. The authorising officers by delegation of the Commission should continue to be

#### *Amendment*

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responsible for the definition of internal management and control systems, while the Heads of Union Delegations should be responsible for the adequate set up and functioning of internal management and control systems and for the management of the funds and the operations carried out within their Delegations and they should report twice a year to that effect.

responsible for the definition of internal management and control systems, while the Heads of Union Delegations should be responsible for the adequate set up and functioning of internal management and control systems and for the management of the funds and the operations carried out within their Delegations and they should report twice a year to that effect. ***The Commission should have the right to withdraw specific subdelegations in accordance with its own rules.***

## **Amendment 6**

### **Proposal for a regulation – amending act Recital 10 a (new)**

*Text proposed by the Commission*

*Amendment*

***(10a) The term "High Representative of the Union for Foreign Affairs and Security Policy" is to be interpreted, for the purposes of this Regulation, in accordance with the different functions of the High Representative under Article 18 of the Treaty on European Union.***

## **Amendment 7**

### **Proposal for a regulation – amending act Article 1 - point 4 a (new) Regulation (EC, Euratom) No 1605/2002 Article 31 - paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***(4a) The following paragraph is inserted in Article 31:  
"The European External Action Service shall draw up an estimate of its revenue and expenditure, which it shall send to the Commission before 1 July each year. The High Representative shall hold consultations with the Commissioner for Development Policy, the Commissioner for Neighbourhood Policy and the***

*Commissioner for International Cooperation, Humanitarian Aid and Crisis Response regarding their respective responsibility."*

**Amendment 8**

**Proposal for a regulation – amending act**

**Article 1 - point 4 b (new)**

Regulation (EC, Euratom) No 1605/2002

Article 33 - paragraph 2 - point d a (new)

*Text proposed by the Commission*

*Amendment*

***(4b) The following point is inserted in Article 33(2):***

***(da) In accordance with Article 8(5) of Council Decision 2010/427/EU and in order to ensure budgetary transparency in the area of the external action of the Union, the Commission will transmit to the budgetary authority, together with the draft EU budget, a working document presenting, in a comprehensive way, all administrative and operational expenditures relating to the external actions of the Union, including the Member States' expenditures for CSDP missions and provided for under the Athena Mechanism and the start-up fund.***

***This working document shall contain, inter alia, the following information:***

***(i) a detailed picture of the operational and administrative expenditures by geographical area (regions, countries), by thematic areas and by mission,***

***(ii) a detailed picture of all staff in place in the delegations of the European Union at the time of the presentation of the draft budget, including:***

***a breakdown by geographical area, individual country and mission, distinguishing:***

***- establishment plan posts,***

- *contract agents,*
- *local agents,*
- *seconded national experts,*

*the number of posts, both in the EEAS establishment plan at headquarters and in the delegations, occupied by employees from the diplomatic services of Member States;*

*(iii) the total number of posts requested in the draft budget for the establishment plans of the delegations of the European Union broken down by function group and grade and compared to the number of posts in the authorised budget,*

*(iv) appropriations requested in the draft budget for other types of personnel with corresponding estimates in terms of the equivalent full-time staff that may be employed within the limits of the appropriations requested, broken down by type of personnel (contract agents, local agents, seconded national experts) along with a comparison with the authorised budget;*

## **Amendment 9**

### **Proposal for a regulation – amending act**

#### **Article 1 - point 4 c (new)**

Regulation (EC, Euratom) No 1605/2002

Article 46 - paragraph 1 - point 5 a (new)

*Text proposed by the Commission*

*Amendment*

*(4c) The following point is added in Article 46(1):*

*(5a) The total amount of operating CFSP expenditure shall be entered entirely in one budget chapter, entitled CFSP. The total amount of CFSP expenditure shall be distributed between the Articles of the CFSP budget chapter. Those Articles shall contain items which are to cover the CFSP expenditure of at least the major missions.*



## Amendment 10

### Proposal for a regulation – amending act

#### Article 1 - point 5

Regulation (EC, Euratom) No 1605/2002

Article 50 - paragraph 1

#### *Text proposed by the Commission*

(5) In the first paragraph of Article 50, the following sentence *is* added:

"However, detailed rules may be agreed with the Commission in order to facilitate the implementation of the Union Delegations' *operating* appropriations entered in the EEAS *and the Council* sections of the Budget."

#### *Amendment*

(5) In the first paragraph of Article 50, the following sentence and *the following subparagraph are* added:

"However, detailed rules may be agreed with the Commission in order to facilitate the implementation of the Union Delegations' appropriations entered in the EEAS section of the Budget.

*Within the EEAS a Director General for budget and administration shall be responsible to the High Representative for the administrative and internal budgetary management of the EEAS. He shall work within the existing format and follow the same administrative rules as applicable to the Part of Section III of the EU budget which falls under Heading V of the Multiannual Financial Framework."*

## Amendment 11

### Proposal for a regulation – amending act

#### Article 1 - point 6

Regulation (EC, Euratom) No 1605/2002

Article 51 - paragraph 2 a (new)

#### *Text proposed by the Commission*

#### *Amendment*

*The Commission shall have the right to withdraw specific subdelegations in accordance with its own rules.*

## Amendment 12

**Proposal for a regulation – amending act**

**Article 1 - point 8**

Regulation (EC, Euratom) No 1605/2002

Article 59 - paragraph 5

*Text proposed by the Commission*

"5. Where Heads of Union Delegations act as authorising officers by sub-delegation in accordance with the second paragraph of Article 51, they shall *refer, where their duties as authorising officer so require, to the Commission as their institution.*"

*Amendment*

"5. Where Heads of Union Delegations act as authorising officers by sub-delegation in accordance with the second paragraph of Article 51, they shall *be subject to the Commission as the institution responsible for the definition, exercise, control and appraisal of their duties and responsibilities as authorising officers by sub-delegation.*"

**Amendment 13**

**Proposal for a regulation – amending act**

**Article 1 - point 9**

Regulation (EC, Euratom) No 1605/2002

Article 60 a - paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

*4a. The Commission shall ensure that sub-delegating powers will not be detrimental to the discharge procedure in the European Parliament, where the Commission assumes the full responsibility for the operating budget of the EEAS.*

**Amendment 14**

**Proposal for a regulation – amending act**

**Article 1 - point 9**

Regulation (EC, Euratom) No 1605/2002

Article 60 a - paragraph 2

*Text proposed by the Commission*

*Amendment*

2. When a Head of a Union Delegation finds himself in a situation referred to in Article 60(6), he shall refer to the

2. When a Head of a Union Delegation finds himself in a situation referred to in Article 60(6), he shall refer to the

specialised financial irregularities panel set up pursuant to Article 66(4). In the event of any illegal activity, fraud or corruption ***which may harm the interests of the Union***, he shall inform the authorities and bodies designated by the applicable legislation.

specialised financial irregularities panel set up pursuant to Article 66(4). In the event of any illegal activity, fraud or corruption, he shall inform the authorities and bodies designated by the applicable legislation.

## **Amendment 15**

### **Proposal for a regulation – amending act**

#### **Article 1 - point 11 - point b**

Regulation (EC, Euratom) No 1605/2002

Article 66 - paragraph 5 - subparagraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***This shall apply mutatis mutandis to the authorities of a Member State for temporary agents coming from the diplomatic services of the Member States as well as seconded national experts. The Member State of origin shall be liable for all sums not recovered within three years after a decision on liability has been taken.***

## PROCEDURE

<b>Title</b>	Amendment of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, as regards the European External Action Service
<b>References</b>	COM(2010)0085 – C7-0086/2010 – 2010/0054(COD)
<b>Committee responsible</b>	BUDG
<b>Opinion by</b> Date announced in plenary	AFET 21.4.2010
<b>Rapporteur</b> Date appointed	Göran Färm 3.5.2010
<b>Discussed in committee</b>	2.9.2010                      20.9.2010
<b>Date adopted</b>	20.9.2010
<b>Result of final vote</b>	+:                      47 -:                      1 0:                      0
<b>Members present for the final vote</b>	Gabriele Albertini, Dominique Baudis, Bastiaan Belder, Franziska Katharina Brantner, Elmar Brok, Mário David, Michael Gahler, Ana Gomes, Takis Hadjigeorgiou, Heidi Hautala, Jelko Kacin, Ioannis Kasoulides, Tunne Kelam, Nicole Kiil-Nielsen, Maria Eleni Koppa, Andrey Kovatchev, Wolfgang Kreissl-Dörfler, Eduard Kukan, Alexander Graf Lambsdorff, Vytautas Landsbergis, Ulrike Lunacek, Mario Mauro, Kyriakos Mavronikolas, Francisco José Millán Mon, Raimon Obiols, Bernd Posselt, Cristian Dan Preda, José Ignacio Salafranca Sánchez-Neyra, Marek Siwiec, Ernst Strasser, Hannes Swoboda, Charles Tannock, Zoran Thaler, Inese Vaidere, Kristian Vigenin, Boris Zala
<b>Substitute(s) present for the final vote</b>	Laima Liucija Andrikiienė, Reinhard Bütikofer, Kinga Gál, Roberto Gualtieri, Georgios Koumoutsakos, Doris Pack, Marietje Schaake, György Schöpflin, Indrek Tarand, Dominique Vlasto
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Danuta Jazłowiecka, Catherine Soullie