



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgetary Control

2012/0295(COD)

24.4.2013

OPINION

of the Committee on Budgetary Control

for the Committee on Employment and Social Affairs

on the proposal for a regulation of the European Parliament and of the Council
on the Fund for European Aid to the Most Deprived
(COM(2012)0617 – C7-0358/2012 – 2012/0295(COD))

Rapporteur: Theodoros Skylakakis

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AMENDMENTS

The Committee on Budgetary Control calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following amendments into its report:

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The number of persons suffering from material or even severe material deprivation in the Union is increasing and those persons are often too excluded to benefit from the activation measures of Regulation (EU) No [...CPR], and, in particular of Regulation (EU) No [...ESF].

Amendment

(2) The number of persons suffering from material or even severe material deprivation in the Union is increasing and those persons are often too excluded to benefit from the activation measures of Regulation (EU) No [...CPR], and, in particular of Regulation (EU) No [...ESF]. ***The criteria for determining such persons should correspond to the changing economic and social conditions.***

Amendment 2

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) Under Article 317 of the Treaty, and in the context of shared management, the conditions allowing the Commission to exercise its responsibilities for implementation of the general budget of the Union should be specified and the responsibilities in terms of cooperation by the Member States clarified. Those conditions should enable the Commission to obtain assurance that Member States are using the Fund in a legal and regular manner and in accordance with the principle of sound financial management

Amendment

(5) Under Article 317 of the Treaty, and in the context of shared management, the conditions allowing the Commission to exercise its responsibilities for implementation of the general budget of the Union should be specified and the responsibilities in terms of cooperation by the Member States clarified. Those conditions should enable the Commission to obtain assurance that Member States are using the Fund in a legal and regular manner and in accordance with the principle of sound financial management

within the meaning of **Council** Regulation No [...] on the Financial **Regulation** applicable to the general budget of the **European Communities** (*hereinafter* 'the Financial Regulation').

within the meaning of Regulation (**EU, Euratom**) No **966/2012 of the European Parliament and of the Council of 25 October 2012** on the financial **rules** applicable to the general budget of the **Union**¹ (*'the Financial Regulation'*). *In exercising its responsibilities for implementation of the budget, the Commission should make increased use of, and promote, performance audits.*

¹OJ L 298, 26.10.2012, p. 1.

Amendment 3

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) Those provisions also ensure that the operations supported shall comply with applicable Union and national laws, notably in regard to the safety of the goods that are distributed to the most deprived persons.

Amendment

(6) Those provisions ***should be consistent with the provisions of the Financial Regulation and*** also ensure that the operations supported shall comply with ***other*** applicable Union and national laws, notably in regard to the safety of the goods that are distributed to the most deprived persons.

Amendment 4

Proposal for a regulation Recital 30

Text proposed by the Commission

(30) In order to safeguard the Union's financial interests, there should be measures limited in time that allow the authorising officer by delegation to interrupt payments where there is evidence to suggest a significant deficiency in the functioning of the management and control system, evidence of irregularities linked to a payment application, or a failure to

Amendment

(30) In order to safeguard the Union's financial interests, there should be measures limited in time that allow the authorising officer by delegation to interrupt payments where there is evidence to suggest a significant deficiency in the functioning of the management and control system, evidence of irregularities linked to a payment application, or a failure to

submit documents for the purpose of the examination and acceptance of accounts.

submit documents for the purpose of the examination and acceptance of accounts ***or serious delays in project implementation, with substantiated evidence that the objectives set for the projects in question are not being met.***

Amendment 5

Proposal for a regulation Article 3

Text proposed by the Commission

The Fund shall promote social cohesion in the Union by contributing to achieving the poverty reduction target of at least 20 million of the number of persons at risk of poverty and social exclusion in accordance with the Europe 2020 strategy. The Fund shall contribute to achieving the specific objective of alleviating the worst forms of poverty in the Union by providing non-financial assistance to the most deprived persons. This objective shall be measured by the number of persons receiving assistance from the Fund.

Amendment

The Fund shall promote social cohesion in the Union by contributing to achieving the poverty reduction target of at least 20 million of the number of persons at risk of poverty and social exclusion in accordance with the Europe 2020 strategy. The Fund shall contribute to achieving the specific objective of alleviating the worst forms of poverty in the Union by providing non-financial assistance to the most deprived persons. This objective shall be measured by the number of persons receiving assistance from the Fund. ***The Fund shall seek to ensure that nobody in the Union goes hungry.***

Amendment 6

Proposal for a regulation Article 4 – paragraph 1

Text proposed by the Commission

1. The Fund shall support national schemes whereby food products and basic consumer goods for the ***personal*** use of homeless persons ***or of*** children are distributed to the most deprived persons through partner organisations selected by Member States.

Amendment

1. The Fund shall support national schemes whereby food products and basic consumer goods for the use of ***the most deprived persons, and in particular*** homeless persons ***and*** children, are distributed to the most deprived persons through partner organisations selected by Member States.

Amendment 7

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

(12) The part of the Union budget allocated to the Fund shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with **Article 55(1)(b)** of the Financial Regulation, with the exception of technical assistance at the initiative of the Commission, which shall be implemented in the framework of direct management in accordance with **Article 55(1)(a)** of the Financial Regulation.

Amendment

1. The part of the Union budget allocated to the Fund shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with **Article 58(1)(b)** of the Financial Regulation, with the exception of technical assistance at the initiative of the Commission, which shall be implemented in the framework of direct management in accordance with **Article 58(1)(a)** of the Financial Regulation.

Amendment 8

Proposal for a regulation Article 5 – paragraph 7

Text proposed by the Commission

(18) The Commission and the Member States and the beneficiaries shall apply the principle of sound financial management in accordance with **Article 26** of the Financial Regulation.

Amendment

7. The Commission and the Member States and the beneficiaries shall apply the principle of sound financial management in accordance with **Article 30** of the Financial Regulation.

Amendment 9

Proposal for a regulation

Article 7 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

1. Each Member State shall submit to the Commission one operational programme covering the period between 1 January 2014 and 31 December 2020 within **three** months of the entry into force of this Regulation, containing the following items:

Amendment

1. Each Member State shall submit to the Commission one operational programme covering the period between 1 January 2014 and 31 December 2020 within **four** months of the entry into force of this Regulation, containing the following items:

Amendment 10

Proposal for a regulation

Article 7 – paragraph 1 – subparagraph 1 – point c

Text proposed by the Commission

(c) a description of the mechanism setting the eligibility criteria for the most deprived persons, differentiated if necessary by type of material deprivation addressed;

Amendment

(c) a description of the mechanism setting the eligibility criteria for the most deprived persons, differentiated if necessary by type of material deprivation addressed; ***the description shall take into consideration newly deprived people with negative income and homeowners in negative equity;***

Amendment 11

Proposal for a regulation

Article 9 – paragraph 3

Text proposed by the Commission

3. The Commission shall, by means of implementing acts, approve the amendment of an operational programme no later than ***five*** months after their formal submission by the Member State provided that any observations made by the Commission have been satisfactorily taken into account.

Amendment

3. The Commission shall, by means of implementing acts, approve the amendment of an operational programme no later than ***three*** months after their formal submission by the Member State provided that any observations made by the Commission have been satisfactorily taken into account.

Amendment 12

Proposal for a regulation

Article 10 – paragraph 2

Text proposed by the Commission

In addition, the Commission shall consult, at least once a year, the organisations which represent the partner organisations at Union level on the implementation of support from the Fund.

Amendment

In addition, the Commission shall consult, at least once a year, the organisations which represent the partner organisations at Union level on the implementation of support from the Fund. ***The outcome of these consultations shall be reported to***

Amendment 13

Proposal for a regulation

Article 14 – paragraph 3 – point a

Text proposed by the Commission

(a) the contribution to the Union objective of at least 20 million fewer people at risk of poverty and social exclusion by 2020, having regard to the selected type of material deprivation to be addressed, taking into account national circumstances in terms of poverty and social exclusion and material deprivation;

Amendment

(a) the contribution to the Union objective of at least 20 million fewer people at risk of poverty and social exclusion by 2020, having regard to the selected type of material deprivation to be addressed, taking into account national circumstances in terms of poverty and social exclusion and material deprivation ***as well as people with negative income and property and those most in need and endangered by poverty;***

Amendment 14

Proposal for a regulation

Article 15 – paragraph 2

Text proposed by the Commission

2. The managing authority shall carry out a structured survey on end recipients in 2017 and 2021, in accordance with the template provided by the Commission. The Commission shall adopt the template by means of an implementing act. This implementing act shall be adopted in accordance with the advisory procedure referred to in Article 60(2).

Amendment

2. The managing authority shall carry out a structured survey on end recipients in 2017 and 2021, in accordance with the template provided by the Commission. The Commission shall adopt the template by means of an implementing act. This implementing act shall be adopted in accordance with the advisory procedure referred to in Article 60(2). ***The template, while corresponding to the objectives of the assessment process, shall comply with the principle of administrative simplification.***

Amendment 15

Proposal for a regulation Article 16

Text proposed by the Commission

At its own initiative and in close cooperation with the Member States, the Commission shall carry out, with the assistance of external experts, an ex-post evaluation, to assess the effectiveness and sustainability of results obtained as well as to measure the added value of the Fund. This ex post evaluation shall be completed by 31 December 2023.

Amendment

At its own initiative and in close cooperation with the Member States, the Commission shall carry out, with the assistance of external experts, an ex-post evaluation, to assess the effectiveness and sustainability of results obtained as well as to measure the added value of the Fund, ***with regard to the newly deprived people with negative income and homeowners in negative equity***. This ex post evaluation shall be completed by 31 December 2023.

Amendment 16

Proposal for a regulation Article 17 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. During the implementation of an operation, the beneficiaries and partner organisations shall inform the public about the support obtained from the Fund by placing at least one poster with information about the operation (minimum size A3), including about the financial support from the Union, at a location readily visible to the public, at each place of provision of the food, goods and any accompanying measure, except if this is not possible due to the circumstances of the distribution.

Amendment

3. During the implementation of an operation, the beneficiaries and partner organisations shall inform the public about the support obtained from the Fund by placing at least one poster with information about the operation (minimum size A3), including about the financial support from the Union, at a location readily ***accessible and*** visible to the public, at each place of provision of the food, goods and any accompanying measure, except if this is not possible due to the circumstances of the distribution. ***The beneficiaries and partner organisations shall ensure that the elderly and people with disabilities have access to this information.***

Amendment 17

Proposal for a regulation Article 21 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. The food and the goods for homeless persons or *for* children may be purchased by the partner organisations themselves.

Amendment

3. The food and the goods for ***the most deprived persons, and in particular for*** homeless persons or children, may be purchased by the partner organisations themselves.

Amendment 18

Proposal for a regulation

Article 24 – paragraph 1 – point a

Text proposed by the Commission

(o) the costs of purchasing food and basic consumer goods for personal use of homeless persons or *of* children;

Amendment

(a) the costs of purchasing food and basic consumer goods for *the* personal use of ***the most deprived persons, and in particular*** homeless persons or children;

Amendment 19

Proposal for a regulation

Article 24 – paragraph 1 – point b

Text proposed by the Commission

(p) where a public body purchases the food or basic consumer goods for ***personal*** use of homeless persons or of children and *provide* them to partner organisations, the costs of transporting of food or goods to the storage depots of the partner organisations at a flat rate of 1 % of the costs referred to in point (a);

Amendment

(b) where a public body purchases the food or basic consumer goods for ***the*** use of ***the most deprived persons, and in particular*** homeless persons or children, and *provides* them to partner organisations, the costs of transporting of food or goods to the storage depots of the partner organisations at a flat rate of 1 % of the costs referred to in point (a);

Amendment 20

Proposal for a regulation Article 27 – paragraph 4

Text proposed by the Commission

4. All official exchanges of information between the Member State and the Commission shall be carried out using an electronic data exchange system established in compliance with the terms and conditions laid down by the Commission by means of ***implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 60(3).***

Amendment

4. All official exchanges of information between the Member State and the Commission shall be carried out using an electronic data exchange system established in compliance with the terms and conditions laid down by the Commission by means of ***a delegated act, in accordance with Article 59.***

Amendment 21

Proposal for a regulation Article 28 – paragraph 4

Text proposed by the Commission

4. The Member State shall designate a national public authority or body, functionally independent from the managing authority and the certifying authority, as audit authority.

Amendment

4. The Member State shall designate a national public authority or body, functionally independent from the managing authority and the certifying authority, as audit authority. ***The national audit office or the national court of auditors may be designated as the audit authority.***

Amendment 22

Proposal for a regulation Article 29 – paragraph 4 – point e

Text proposed by the Commission

(o) draw up the management declaration and annual summary referred to in ***Article 56 (5)(a) and (b)*** of the Financial Regulation.

Amendment

(e) draw up the management declaration and annual summary referred to in ***Article 59 (5)(a) and (b)*** of the Financial Regulation.

Amendment 23

Proposal for a regulation

Article 30 – paragraph 1 – point 2

Text proposed by the Commission

2. drawing up the annual accounts referred to in Article 56 (5) (a) of the Financial Regulation;

Amendment

2. drawing up the annual accounts referred to in Article 59 (5) (a) of the Financial Regulation;

Amendment 24

Proposal for a regulation

Article 31 – paragraph 4

Text proposed by the Commission

4. The audit authority shall, within six months of adoption of the operational programme, prepare an audit strategy for performance of audits. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2022. The audit authority shall submit the audit strategy to the Commission *upon request*.

Amendment

4. The audit authority shall, within six months of adoption of the operational programme, prepare an audit strategy for performance of audits. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2022. The audit authority shall submit the audit strategy to the Commission. ***The Commission shall be empowered to request that the audit authority introduces changes to its audit strategy, which, in its view, are necessary for ensuring that audits are carried out in a proper manner, in accordance with the internationally accepted audit standards. In doing so the Commission shall ensure that performance audit has been sufficiently taken into account.***

Amendment 25

Proposal for a regulation

Article 31 – paragraph 5 – subparagraph 1 – point a

Text proposed by the Commission

(*r*) an audit opinion in accordance with Article **56** (5) of the Financial Regulation;

Amendment

(*a*) an audit opinion in accordance with Article **59**(5) of the Financial Regulation;

Amendment 26

Proposal for a regulation

Article 31 – paragraph 6

Text proposed by the Commission

6. The Commission shall adopt, by means of ***implementing*** acts, models for the audit strategy, the audit opinion and the annual control report, as well as the methodology for the sampling method referred to in paragraph 4. Those ***implementing*** acts shall be adopted in accordance with the ***examination*** procedure referred to in Article **60**(3).

Amendment

6. The Commission shall adopt, by means of ***delegated*** acts, models for the audit strategy, the audit opinion and the annual control report, as well as the methodology for the sampling method referred to in paragraph 4. Those ***delegated*** acts shall be adopted in accordance with the procedure referred to in Article **59**.

Amendment 27

Proposal for a regulation

Article 33 – paragraph 3

Text proposed by the Commission

3. The Commission ***may*** require ***a*** Member ***State*** to take the actions necessary to ensure the effective functioning of their management and control systems or the correctness of expenditure in accordance with this Regulation.

Amendment

3. The Commission ***shall*** require Member ***States*** to take the actions necessary to ensure the effective functioning of their management and control systems or the correctness of expenditure in accordance with this Regulation.

Amendment 28

Proposal for a regulation

Article 35 – paragraph 1

Text proposed by the Commission

The budget commitments of the Union in respect of each operational programme shall be made in annual instalments during the period between 1 January 2014 and 31 December 2020. The decision of the Commission adopting the operational programme shall constitute the financing decision within the meaning of **Article 81(2)** of the Financial Regulation and once notified to the Member State concerned, a legal commitment within the meaning of that Regulation.

Amendment

The budget commitments of the Union in respect of each operational programme shall be made in annual instalments during the period between 1 January 2014 and 31 December 2020. The decision of the Commission adopting the operational programme shall constitute the financing decision within the meaning of **Article 84(2)** of the Financial Regulation and once notified to the Member State concerned, a legal commitment within the meaning of that Regulation.

Amendment 29

Proposal for a regulation
Article 45 – paragraph 1

Text proposed by the Commission

1. For each year from 2015 until and including 2022, by 15 February of the year following the end of the accounting period, the designated bodies shall submit to the Commission the following documents and information in accordance with Article 56 of the Financial Regulation:

(dd) the certified annual accounts of the relevant bodies designated pursuant to Article 32 as referred to in Article **56(5)** of the Financial Regulation;

(ee) the management declaration as referred to in Article **56(5)** of the Financial Regulation;

(ff) an annual summary of the final audit reports and of controls carried out, including an analysis of the nature and extent of errors and of weaknesses, as well as corrective actions taken or planned;

(gg) an audit opinion by the designated independent audit body as referred in Article **56(5)** of the Financial Regulation,

Amendment

1. For each year from 2015 until and including 2022, by 15 February of the year following the end of the accounting period, the designated bodies shall submit to the Commission the following documents and information in accordance with Article **59** of the Financial Regulation:

(a) the certified annual accounts of the relevant bodies designated pursuant to Article 32 as referred to in Article **59(5)** of the Financial Regulation;

(b) the management declaration as referred to in Article **59(5)** of the Financial Regulation;

(c) an annual summary of the final audit reports and of controls carried out, including an analysis of the nature and extent of errors and of weaknesses, as well as corrective actions taken or planned;

(d) an audit opinion by the designated independent audit body as referred in Article **59(5)** of the Financial Regulation,

accompanied by a control report setting out the findings of the audits carried out relating to the accounting year covered by the opinion.

accompanied by a control report setting out the findings of the audits carried out relating to the accounting year covered by the opinion.

Amendment 30

Proposal for a regulation Article 48 – paragraph 1

Text proposed by the Commission

1. The managing authority shall ensure that all supporting documents on operations are made available to the Commission and the European Court of Auditors upon request for a period of *three* years. This *three* year period shall run from *31 December of the year of the decision on acceptance of accounts by the Commission pursuant to Article 47 or, at the latest, from* the date of payment of the final balance.

This *three* year period shall be interrupted either in the case of legal or administrative proceedings or by a duly justified request of the Commission.

Amendment

1. The managing authority shall ensure that all supporting documents on operations are made available to the Commission and the European Court of Auditors upon request for a period of *five* years. This *five* year period shall run from the date of payment of the final balance.

This *five* year period shall be interrupted either in the case of legal or administrative proceedings or by a duly justified request of the Commission.

PROCEDURE

Title	Fund for European Aid to the Most Deprived
References	COM(2012)0617 – C7-0358/2012 – 2012/0295(COD)
Committee responsible Date announced in plenary	EMPL 19.11.2012
Opinion by Date announced in plenary	CONT 19.11.2012
Rapporteur Date appointed	Theodoros Skylakakis 3.12.2012
Date adopted	23.4.2013
Result of final vote	+: 18 –: 0 0: 0
Members present for the final vote	Zigmantas Balčytis, Zuzana Brzobohatá, Andrea Češková, Tamás Deutsch, Jens Geier, Gerben-Jan Gerbrandy, Ingeborg Gräßle, Monica Luisa Macovei, Jan Mulder, Eva Ortiz Vilella, Monika Panayotova, Crescenzo Rivellini, Theodoros Skylakakis, Bart Staes, Michael Theurer
Substitute(s) present for the final vote	Cornelis de Jong, Karin Kadenbach, Ivailo Kalfin, Derek Vaughan