

Financial Regulation applicable to the general budget of the European Communities: European External Action Service (EEAS)

2010/0054(COD) - 28/09/2010

The Committee on Budgets and the Committee on Budgetary Control adopted the report drafted by Ingeborg GRÄSSLE (EPP, DE) and Crescenzo RIVELLINI (EPP, IT) 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.

The committees recommend that the European Parliament's position at first reading under the ordinary legislative procedure (formerly known as the codecision procedure) should be to amend the Commission proposal as follows:

- Members stipulate according to Council Decision 2010/427/EU of 26 July 2010 establishing the organisation and functioning of the European External Action Service, the EEAS is a service of a sui generis nature and should be treated as an institution for the purposes of the Financial Regulation;
- 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. Members consider that in this context, the EEAS shall be fully subject to the procedures provided for in Article 319 of the TFEU and in Articles 145 to 147 of the Financial Regulation. The EEAS shall 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. Given the novelty of this structure, **high-standard provisions on transparency and budgetary and financial accountability** need to be applied;
- within the EEAS, a **Director General for budget and administration** should 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 which are applicable to the part of Section III of the EU budget that falls under heading 5 of the Multiannual Financial Framework;
- the **Department for Inspections of the EEAS** should examine the functioning of the Union Delegations and report directly to the Executive Secretary General;
- the setting up of the EEAS should be guided, as stated in the guidelines laid down by the European Council of 29 and 30 October 2009, by the principle of **cost-efficiency aiming towards budget neutrality**;
- the Financial Regulation should foresee the possibility for detailed **arrangements**, to be agreed with the Commission, in order to facilitate the implementation of the Union Delegations' administrative **appropriations**;
- under the proposal, 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 committees consider that such **delegation of powers** should be capable of being revoked in accordance with the rules applicable to the Commission;

- in order to ensure democratic scrutiny of the implementation of the European Union's budget, the **statements of assurance** made by Heads of Union Delegations on the internal management and control systems in their delegation should be annexed to their annual activity reports and then be transmitted in copy also to the European Parliament;
- lastly, the **European Development Fund**, being the Union's most important financial instrument for development cooperation with the African, Caribbean and Pacific States, should fall within the ambit of the general budget of the European Union and the general Financial Regulation.