Amendments to the Financial Regulation. Recast

2022/0162(COD) - 04/05/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets and the Committee on Budgetary Control jointly adopted the report by Nils UŠAKOVS (S&D, LV) and Monika HOHLMEIER (EPP, DE) on the proposal for a regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (recast).

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Respect for fundamental rights

The Commission and the Member States should ensure, in the implementation of the Union's budget, respect for the values on which the Union is founded and for fundamental rights, including non-discrimination, as well as respect for the Charter of Fundamental Rights of the European Union.

Decommitments

Where budgetary commitments are decommitted in any financial year after the year in which they were made as a result of the total or partial non-implementation of the actions for which they were earmarked, Members proposed that the appropriations corresponding to such decommitments should be made available again to the benefit of the budget line of origin, without prejudice to pre-agreed national envelopes, where applicable.

Internal control of budget implementation

The Commission should report annually, no later than 30 September, to the European Parliament and to the Council on the aggregated information and figures on the recipients of funds, contractors, sub-contractors and the beneficial owners, across different Union funded projects and programmes implemented in the preceding financial year. That information should, having due regard to the protection of personal data, be made available to any persons or organisations that can demonstrate a legitimate interest.

Visibility of the budget

All new communication efforts should make the citizens' connection to the budget more visible by using the statements ‘Funded by the people of the European Union’ or ‘Co-funded by the people of the European Union’ next to the emblem of the Union.

Interinstitutional procurement, joint procurement and procurement on behalf of Member States

Where appropriate, two or more Member States may mandate a Union institution, Union body or executive agency (‘mandated contracting authority’) to act as a **central purchasing body** to procure on behalf of the Member States or in their own name, under certain conditions.

Diversified funding strategy

Where the Commission is empowered, in relevant basic acts, to borrow funds on behalf of the Union on the capital markets or from financial institutions, the Commission should implement a diversified funding

strategy comprising borrowing and debt management operations. The diversified funding strategy should be implemented through all necessary transactions aiming at a regular capital market presence, should be based on pooling of funding instruments and should make use of a common liquidity pool.

Union trust funds for external actions

A Union trust fund for emergency and post-emergency action should be deemed to be approved by the European Parliament and the Council unless the European Parliament or the Council decide not to approve it within two months of the date of publication of the draft decision.

Non-financial donations

Members proposed that in the case of non-perishable supplies financed from administrative appropriations and in compliance with the relevant accounting rules and standards, Union institutions and bodies may not provide non-financial donations before the value of the depreciated supply represents 80 % of the purchase price.

Rules and procedure on the audit

The report stated that the examination by the Court of Auditors of whether all revenue has been received and all expenditure incurred in a lawful and proper manner, including in relation to assigned revenue and the related items of expenditure, should have regard to the Treaties, the budget, this Regulation, the delegated acts adopted pursuant to this Regulation and all other relevant acts adopted pursuant to the Treaties. That examination may take account of the multiannual character of programmes and related supervisory and control systems.

Transitional provisions

Waiting for the adoption of the programmes under the post-2027 MFF in order to start using the new single integrated and interoperable information and monitoring system is disproportionately long. Therefore, Members proposed that the date of application of 1 January 2026 should provide sufficient time for the development of the system and the adaptation of the various involved systems.