European Development Fund, 9th EFD: Financial Regulation

2002/0183(CNS) - 18/07/2002 - Legislative proposal

PURPOSE : to present the proposal for a Council Regulation on a Financial Regulation applicable to the 9th European Development Fund. CONTENT : the proposal for a new Financial Regulation for the EDF has been drafted in the dynamic context of the internal reform undertaken by the Commission, which includes in particular the revision and modernisation of its financial procedures. The key element of this process is the proposal to recast the Financial Regulation applicable to the general budget of the Communities. Since the Financial Regulation applicable to the general budget sets out rules governing financial management and control, its recasting is inextricably linked to the process of administrative reform. The main aspects of this reform cannot be implemented without substantial amendments to the Financial Regulation. On a number of points, the same applies to the EDF. The adoption of the new Financial Regulation for the 9th EDF presents an opportunity to take into account, as far as is compatible with the legal framework (Cotonou Agreement, Association Decision, Internal Agreement), the amendments made to the Financial Regulation applicable to the general budget. The recasting proposal provides a whole legislative framework for key strands of that reform, such as the assertion of the responsibility of authorising officers, under the supervision of an internal audit service, with the abolition of centralised ex ante controls (in particular approval of the Financial Controller) as the quid pro quo. The Commission's proposal seeks, as far as possible, to apply the same rules as will apply to the general budget from 1 January 2003, as described in detail below. - budgetary principles; - financial actors and procedures; function of internal auditor; - contracts and grants; - accounts, Court of Auditors and discharge. The Commission has every hope that, by applying to the EDF the same reforms as those contained in the Financial Regulation applicable to the general budget, the financial management of the EDF can become more transparent and more efficient over the long term. This intention of the Commission should also be seen in the context of the eventual inclusion of the EDF in the general budget, an objective to which the Commission remains attached.