Common foreign and security policy CFSP: implementation of expenditure, opinion 1/97 Court of Auditors

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OBJECTIVE: presentation of Opinion 1/97 of the Court of Justice on the financial and budgetary provisions of the common foreign and security policy (CFSP) and the conditions under which joint measures would be carried out in this context. SUBSTANCE: (1) Financing the CFSP: In its opinion, the Court highlighted the variety of sources of financing for actions involving the CFSP. The many examples cited by the Court showed how difficult it was to determine which funding to use and the subsequent lack of consistency in the management of appropriations and problems of transparency in their implementation. The Council tried to remedy the situation by defining the financial criteria linked to the powers and responsibilities of the Community or the Union in this field. However, since, in the case of some CFSP actions, it was not always clear who should be responsible, the application of such criteria proved difficult. Moreover, the opinion noted that the question of administrative expenditure was not defined clearly either. In accordance with the Treaty (Article J.11), administrative expenditure was charged to the budget of the Communities. Guidelines had been laid down allowing the classification of this expenditure and determining which institution should finance it. In reality, however, the classification of administrative expenditure was very vague: some of the expenditure was the responsibility of the Commission and some was the responsibility of the Council (heading 'special advisers and other persons authorized by the Council'). Similarly, the Court indicated that certain actions relating to the CFSP which had been implemented by non-Community organizations had been financed by Member States. In addition, neither the Commission nor the Council has established the necessary financial statements, including a consolidated account showing the cost of CFSP operations. Finally, the Court stated that were considerable delays in making available the necessary resources for CFSP actions (an average delay of four months had been calculated between the decision to allocate the funds and the release of the funds). This had a negative effect on financial management and the effectiveness of actions. (2) Conditions regarding the implementation of policies: Besides the strictly budgetary problems affecting the CFSP, the Court also noted a lack of consistency in the implementation of common measures. According to the Treaty, the Presidency of the Council was responsible for representing the Union in all matters relating to the CFSP and its implementation. In this respect, the role of the Commission, which was normally 'fully associated in the tasks' carried out, was vague and not clearly defined. This situation caused many procedural problems, particularly concerning administration, when there was an overlap in the responsibilities of the Commission and the Council. This often delayed and aggravated the normal implementation of actions. Finally, the Court pointed out problems concerning organization and management of the joint actions carried out by the Commission. This situation had already been addressed in a report by the Court of Auditors in 1996. The Court pointed out to the Commission, in particular, that in this context it was important to ensure that the budgetary and financial responsibilities of the CFSP were clearly defined and that those appointed to carry out its actions were better identified. (3) To conclude: The Court considered the following to be necessary: - streamlining of the budgetary and financial procedures of the CFSP with a view to ensuring that operations were carried out more quickly and more effectively, - more transparency and consistency in the management of appropriations (particularly in terms of determining sources of funding, the total resources committed in this field and expenditure related to the launching of actions), - financial resources must be made available more rapidly; - a clear definition of the role and responsibilities of the Commission in the context of the implementation of CFSP actions (clarification of financial, legal and operational resources).