


# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1997/2059(COS)	Procedure completed
Common foreign and security policy CFSP: implementation of expenditure, opinion 1/97 Court of Auditors		
Subject 6.10 Common foreign and security policy (CFSP)		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CONT</b> Budgetary Control	V <a href="#">MÜLLER Edith</a>	20/05/1997
Council of the European Union	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AFET</b> Foreign Affairs, Security and Defense Policy	The committee decided not to give an opinion.	

Key events			
10/04/1997	Non-legislative basic document published	RCC0001/1997	Summary
28/05/1997	Committee referral announced in Parliament		
28/10/1997	Vote in committee		Summary
28/10/1997	Committee report tabled for plenary	<a href="#">A4-0339/1997</a>	
18/12/1997	Debate in Parliament		
19/12/1997	Decision by Parliament	T4-0647/1997	Summary
19/12/1997	End of procedure in Parliament		
19/01/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2059(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed

## Documentation gateway

Non-legislative basic document		RCC0001/1997	10/04/1997	CofA	Summary
Committee report tabled for plenary, single reading		<a href="#">A4-0339/1997</a> <a href="#">OJ C 371 08.12.1997, p. 0002</a>	28/10/1997	EP	
Text adopted by Parliament, single reading		T4-0647/1997 <a href="#">OJ C 014 19.01.1998, p. 0396-0409</a>	19/12/1997	EP	Summary

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

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 there 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). ?

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

The report by Mrs Edith MULLER (Green Group D) adopted by the committee calls for an interinstitutional agreement to complete the one concluded in July 1997 to improve the management and control of expenditure under the common foreign and security policy. This is the main thrust of the report. The committee bases its evaluation on report 1/97 of the Court of Auditors concerning expenditure under foreign policy. It notes that the policy is still decided at intergovernmental level and financed mainly from the Community budget. Despite progress achieved under the Amsterdam Treaty many improvements are necessary. A follow-up interinstitutional agreement would help to resolve questions of budgetary control and discharge thereby strengthening the role of the EP in terms of democratic control. ?

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

In adopting the report by Mrs Edith MÜLLER (Greens, D) on the implementation of expenditure under the common foreign and security policy, Parliament called for a review of the interinstitutional agreement of 16 July 1997 on the financing of the CFSP with the aim of arriving at a modus vivendi concerning the implementation and supervision of joint actions, which should ensure that: - in future the Commission was fully involved in and consulted on the planning and preparation of joint actions from the outset, - cooperation between the Council Presidency and the Commission in implementing joint actions followed clear operational rules, while leaving the Commission free to implement the budget

under its own responsibility, - CFSP envoys could be questioned by Parliament on the implementation of expenditure, -statements of accounts and consolidated accounts were drawn up for each joint action, providing full information on the Community funds invested and the contributions of other donors. Noting that the 1997 interinstitutional agreement did not resolve the problems highlighted by the Court of Auditors with regard to powers and the monitoring of CFSP joint actions, Parliament also called for the review of this agreement to consider procedural questions of a technical nature. It wished in particular for the role of the Commission to be clarified which, as the body responsible for the implementation of the budget, should participate fully alongside the Council and the Presidency in the adoption of the procedures for the consultation and information of Parliament. Lastly, Parliament called on the Member States to establish a CFSP staff reserve to finance joint actions and that a special report should be published by the Court of Auditors two years after the entry into force of the Amsterdam Treaty on the implementation of CFSP expenditure. ?