

CFSP BUDGET

CFSP budget: part of the budget of the European Communities

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Chapter 19 03: CFSP

Commission implements the CFSP budget

Article 274 Treaty Establishing the European Community (TEC)

Article 48 of the Financial Regulation applicable to the general budget of the EC¹

¹ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.09.2002). Detailed implementing rules are contained in Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357, 31.12.2002), amended by Commission Regulation (EC, Euratom) No 1261/2005 of 20 July 2005 (OJ L 201, 02.08.2005) and as modified by Commission Regulation (EC, Euratom) No 1248/2006 of 7 August 2006 (OJ L 227, 19.08.2006).

Commitments must be made through a **basic act**

Article 49 Financial Regulation

Basic acts under CFSP (Title V of the Treaty on European Union, TEU)

Council Joint Action (Article 14 TEU)

Council Decision implementing a Joint Action (Article 23.2 TEU)

CFSP budget: not for financing of military operations Article 28.3 TEU

Athena Mechanism: financing of common costs of military operations² (i.e. outside the budget)

² Council Decision 2004/197/CFSP of 23 February 2004 establishing a mechanism to administer the financing of the common costs of European Union operations having military or defence implications (OJ L 63, 28.02.2004).

Inter-Institutional Agreement (IIA) on budgetary discipline and improvement of the budgetary procedure³; Part G: financing of CFSP

European Parliament
Council
Commission

³ Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (OJ C 139, 14.06.2006).

CFSP budget under the financial framework 2007-2013*

	2007	2008	2009	2010	2011	2012	2013	Total	Average allocation/ Year
2004 prices	150	185	220	250	285	310	340	1.740	249
Current Prices	159	200	243	282	327	363	406	1.980	283

* in M€

Indicative budget structure according to IIA

- crisis management operations, conflict prevention, resolution and stabilisation, monitoring and implementation of peace and security processes,
- non-proliferation and disarmament,
- emergency measures,
- preparatory and follow-up measures,
- European Union Special Representatives.

Implementation of Joint Actions by CFSP Special Advisers or International Organisations, through contracts with the Commission

Key role for staff seconded by Member States

Contributions by Third States

ANNEX

Article 274 of the Treaty establishing the European Communities (TEC)

“The Commission shall implement the budget, in accordance with the provisions of the regulations made pursuant to article 279, on its own responsibility and within the limits of the appropriations, having regard to the principles of sound financial management.

Member States shall cooperate with the Commission to ensure that the appropriations are used in accordance with the principles of sound financial management.”

Article 48 of the Financial Regulation applicable to the general budget of the European Communities (FR)

“1. The Commission shall implement the revenue and expenditure of the budget in accordance with this Regulation, on its own responsibility and within the limits of the appropriations authorised.

2. The Member States shall cooperate with the Commission so that the appropriations are used in accordance with the principle of sound financial management.

Article 27 FR

1. Budget appropriations shall be used in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

2. The principle of economy requires that the resources used by the institution for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Article 49 Financial Regulation

“1. A basic act must first be adopted before the appropriations entered in the budget for any Community action may be used. Similarly, a basic act must first be adopted before the operating expenditure arising from implementation of the

provisions of Titles [V](#) and [VI](#) of the Treaty on European Union (hereinafter "TEU") may be implemented.

In application of the EC Treaty and the Euratom Treaty and Titles [V](#) and [VI](#) of the TEU, a "basic act" is an act of secondary legislation which provides a legal basis for the Community action or Union action and for the implementation of the corresponding expenditure entered in the budget. Recommendations and opinions do not constitute basic acts within the meaning of this article nor do resolutions, conclusions, declarations or other acts which have no legal effects.”

Article 14 TEU

1. The Council shall adopt joint actions. Joint actions shall address specific situations where operational action by the Union is deemed to be required. They shall lay down their objectives, scope, the means to be made available to the Union, if necessary their duration, and the conditions for their implementation.

Article 28(3) TEU

“Operational expenditure to which the implementation of those provisions gives rise shall also be charged to the budget of the European Communities, except for such expenditure arising from operations having military or defence implications and cases where the Council acting unanimously decides otherwise.

In cases where expenditure is not charged to the budget of the European Communities it shall be charged to the Member States in accordance with the gross national product scale, unless the Council acting unanimously decides

otherwise. As for expenditure arising from operations having military or defence implications, Member States whose representatives in the Council have made a formal declaration under Article 23(1), second subparagraph, shall not be obliged to contribute to the financing thereof.”