

2014 Discharge to the Commission

WRITTEN QUESTIONS TO COMMISSIONER

GEORGIEVA

Hearing on 25 January 2016

Performance

1. The new multiannual financial framework is focused on performance, rather than on spending. In COM (2015) 313¹, the Commission states that, although 2014 is the first year of the new MFF, many projects continue to be funded from the programs of the 2007-2013 MFF and that most of the assessments have not yet been made. Could the Commission provide a realistic timeframe of when it will be possible to obtain an assessment of the performance of each program, currently planned for 2016? How the indicators of quality performance will be used? In what way have they been established? How the control system to verify the performance of the projects has changed?

Commission's answer:

The Commission services are currently preparing the review of the functioning of the MFF as required by article 2 of this regulation by the end of 2016. The MFF mid-term review together with the Budget Focused on Results strategy, constitute an opportunity to continue reforms and implement political priorities agreed for the MFF 2014-2020 so as to stimulate growth and economic recovery in the EU.

As regards the first part of the question: ex-post evaluations containing performance assessments of programmes financed under the 2007-2013 MFF are variously becoming available in the period 2014-2017. The Article 318 Evaluation Report has begun its reporting on these ex-post evaluations in the edition for the financial year 2014 (COM (2015) 313) and it will continue to do so until the last ex-post evaluations for the 2007-2013 MFF period have become available.

As regards the questions related to performance measurement of the programmes under the MFF 2014-2020: the monitoring, reporting and evaluation framework put in place to trace the performance of objectives with the help of performance indicators is based on the legislation adopted by Parliament and Council. It provides what has been agreed as a sound foundation for future reporting on results and impacts. The frameworks of programmes under shared management are far more complex than those of directly managed programmes. As a consequence data on implementation and performance of programmes under shared management becomes available later to the Commission.

More information can be found in the Commission's SWD (2014) 200 final on

¹ REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the evaluation of the Union's finances based on the results achieved

the Overview of the Monitoring, Reporting and Evaluation Framework for the MFF 2014-2020 Programmes, accompanying the Commission's Article 318 Evaluation Report for the year 2013. It provides for each programme an outline of which indicators are used to measure performance; how these indicators will be used and which type of performance information can be expected at different points in time during and after the current MFF period, including ex-post evaluations of the previous 2007-2013 MFF programmes.

2. Considering the comments of the Courts as regards the budget performance does the commission believe that the key performance indicators presently in place are the appropriate ones to measure the achievements of the Europe 2020 and Juncker's political priorities?

Commission's answer:

The MFF 2014-2020 has been aligned with the Europe 2020 strategy. All the legal acts and implementing acts of the spending programmes under the 2014-2020 Multi-annual Financial Framework (MFF) contain performance frameworks including objectives and indicators to measure achievements. Monitoring, evaluation and reporting arrangements thereto have been put in place. Two aspects should be underlined here:

1) The EU budget on its own represents only approximately 2% of overall public spending in the EU and 1% of EU Gross National Income. Therefore, the cumulative national budgets and actions are the key factor to deliver results on the objectives of the EU strategy. In fact, this is not an exclusive strategy of the European institutions, but it is shared among the member states and the social partners.

2) Based on the Treaty obligations, the EU budget is also financing other EU policies that are not all necessarily covered by Europe 2020 strategy (i.e. global Europe).

The performance framework of the budget, which is reflected in the Programme Statement attached to the Draft Budget, defines what the expected results of the specific Programmes financed are.

However, the achievement of the Europe 2020 and Juncker's political priorities has to be seen in a wider context than the EU's budget contribution to these priorities. For this purpose, the Commission has developed specific indicators that are regularly reported by ESTAT:

<http://ec.europa.eu/eurostat/web/europe-2020-indicators>

<http://ec.europa.eu/eurostat/web/ess/-/eurostat-and-the-10-commission-priorities>

Moreover, beyond reporting on the results of the EU budget, the Commission is also reviewing its overall performance framework. Changes have been introduced in the Strategic Planning and Programming cycle (Management Plans, Annual Activity Reports) to allow for more focused reporting on performance in relation to overall objectives of the Commission, including the new priorities.

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3. The Court of Auditors has for the first time produced an annual report with an innovative chapter of auditing based on performance and results. The Court in particular calls EU decision-makers to align the budget better with the EU's long-term strategic priorities and make it more responsive in a crisis. How is the Commission going to adapt the implementation of the EU budget to the long term priorities?

Commission's answer:

The 2014-2020 MFF was designed to contribute to the Europe 2020 strategy and thus provide stability in the pursuit of strategic objectives over the seven-year period. It introduced a number of performance enhancing measures: linkages to macro-economic conditionalities, taking into account Country Specific Recommendations, performance reserves in cohesion policy, doubling the use of financial instruments – just to name a few. All aimed at getting more results for taxpayers' money.

With the "EU Budget Focused on Results" initiative, the Commission wants to build on these measures and further enhance them on the basis of the first indications received from their implementation. To that end, for instance, the Commission is assessing how efforts to simplify the delivery of EU funds across the board work out in practice and whether further proposals can be tabled in the context of the mid-term review.

The Commission services are currently preparing the review of the functioning of the MFF as required by article 2 of this regulation by the end of 2016. The MFF mid-term review together with the Budget Focused on Results strategy, constitute an opportunity to continue reforms and implement political priorities agreed for the MFF 2014-2020 so as to stimulate growth and economic recovery in the EU.

The annual budget adoption procedure includes an analysis of progress made in the achievement of the long-term objectives up to 2020 and this information is presented in the programme statements attached to the draft budget.

Furthermore, as the budget procedure for the 2016 EU budget has proven, it is possible for EU decision makers to also make use of the EU budget in order to address e.g. the refugee crisis.

4. The Court of Auditors also calls for a better alignment of the EU strategy with the MFF and recommends making appropriate proposals to the legislators. What is the Commission opinion on this? Has the Commission any plans to better align the MFF with the EU Strategy 2020 and any concrete proposal on the pipeline?

Commission's answer:

The MFF 2014-2020 has been aligned to the Europe 2020 strategy. Where relevant, the priorities set in the legal bases concerning multiannual programmes and in the programming documents as well as the objectives and indicators set in

the latter should match the priorities of the Europe 2020 strategy and contribute to their targets. The performance of programmes in meeting those targets will be assessed in the context of the mid-term evaluations or other reporting obligations, leading to possible adjustments.

Thus, while the Commission is not in a position to commit itself to make specific proposals to the legislator, it is ready to examine the Court's suggestions so as to ensure that when preparing relevant legislative initiatives the EU's spending priorities are fully aligned with its overarching policy objectives. The timing and possible operational actions will be particularly assessed in the context of the MFF MTR in 2016 and in the preparation of the post-2020 MFF in 2017

5. How will the Commission evaluate the achievement of the 10 political priorities laid down in President Juncker's Political Guidelines? What kind of indicators and quantifiable results will the Commission put forward to evaluate the performance of the EU action for the coming years?

Commission's answer:

The Commission regularly reports on achievements on the 10 priorities. In the first place, this is done in the annual State of the Union speech, but also in other Commission reports such as the Commission one-year-on report and the General Report on the Activities of the European Union.

Moreover, extensive reporting is done on the individual priorities such as for example the annual report on the State of the Energy Union. As a general information towards the EU citizens, Eurostat, as the main specialised statistical office of the Commission, provides the relevant data related to each of the 10 political priorities laid down in President Juncker's Political Guidelines (source: <http://ec.europa.eu/eurostat/web/ess/-/eurostat-and-the-10-commission-priorities>)

At the level of the Commission's services, the Strategic Plans, the Management Plans and the Annual Activity Reports of the DGs and services of the Commission will start as of the 2016 exercise integrating the 10 political priorities as the general objectives of the Commission services. The progress towards their achievement will be measured in those documents against a set of indicators which will ensure the proper monitoring and progress of the performance of the EU action in the coming years.

6. The Commission states on its replies to the Court (Paragraph 3.5), that for 2014, around 58 % of the EU budget was allocated to Europe 2020. The rest of the EU budget is also allocated to other policies and priorities in order to comply with the Union objectives defined in the treaties. How much of the EU budget was allocated to the 10 political priorities of President Juncker's Political Guidelines?

Commission's answer:

First of all, the achievement of the 10 political priorities is pursued via a variety of methods including e.g. the EU budget, legislation, policies or coordination.

Secondly, due to the interaction between the political priorities, it is not possible to make a clear allocation of the EU budget to each priority. However, the budget procedure for the 2016 EU budget provides a good example of how the specific political priorities such as migration and the jobs and growth agenda were addressed when deciding on the final allocation of the budgetary funds.

The 2016 EU budget will thus significantly strengthen the EU response to the refugee crisis both within and outside the EU. It will also boost investment in competitiveness as well as jobs and growth.

In addition, the Commission Strategic planning and programming documents (Strategic plans and Management plans) have been recently adapted to catalyse the Commission activities around the 10 political priorities of the President.

7. What measures were taken during 2014 to make the Commission more cost efficient and to reduce overall costs of the Institution? How much savings were made in 2014 from which budget lines? Could it be indicated for which purpose these savings were used/ or transferred to other budget lines?

Commission's answer:

Savings achieved:

• **Reform of the Staff Regulations:**

The 2013 reform of the Staff Regulations proposed by the Commission, including the freeze of the salary adjustments for the years 2013 and 2014, will lead to total administrative savings of €2.8 billion in the period 2014-2020. In addition, following the non-adoption by the Council of the proposed salary and pension adjustments in 2011 and 2012, the Commission issued a new proposal in May 2014. By applying its margin of discretion by taking into consideration a number of elements like e.g. the economic and social situation in order to derogate from the strict application of the method, the adjustments proposed were 0% (instead of 1.7%) for 2011 and 0.8% (instead of 1.7%) for 2012, thus leading to further savings of €1.5 billion up to 2020.

• **Rigorous approach towards administrative expenditure (Heading 5) in the 2014 budget:**

Excluding additional administrative expenditure related to Croatia's accession, the Commission's own administrative expenditure (excluding Pensions and European schools) was nearly frozen at the level of 2013 in nominal terms. The Commission has made a particular effort in containing all non-salary related expenditure below the level of the 2013 budget, by significantly reducing other administrative expenditure related to non-contractual obligations. The increases in expenditure from statutory and contractual obligations were offset by significant nominal reductions in the appropriations concerning other types of expenditure (meetings, committees and conferences, mission and representation costs, studies, social expenditure, linguistic external services, building charges, security, general equipment, training, acquisition of information, publications and expenditure for

mobility). As a result the Commission has kept all non-salary related expenditure well below the level of the 2013 budget.

The use of the savings:

- **Relocation from the Jean Monnet building (JMO) in Luxembourg:**

On the 8 of July 2014, the Minister of Foreign and European Affairs of Luxembourg and the Vice President Šef ovi noted that the joint studies carried out confirm the risk associated with the presence of asbestos in the JMO building. Under these circumstances, the Commission decided on the 15 of July 2014 that all services housed in the JMO (almost 1600 people) should be relocated within the coming months and preferably by the end of 2014 in other buildings in Luxembourg, taking particular account of the need to ensure business continuity and a safe work environment for all staff. The cost of relocation was estimated at around EUR 200 million over the period 2014-2020, of which some 1/3 will have to be borne in 2014-2015 given the one-off character of moving out and fitting the new premises. While waiting for a timely and satisfactory conclusion of negotiations with the Luxembourg authorities (owner of JMO) on their participation in the related expenditure, and as the 2014 and 2015 budgets did not include appropriations for such exceptional expenditure related to the JMO operation, the Commission scrutinized all the budgetary resources available in the 2014 budget, to cover expenditure related to the move and occupation of JMO's replacement buildings. Accordingly, the Commission redeployed EUR 22 million (DEC 55/2014) from budget lines where requirements up to the end of the year made it possible (Staff and external personnel salaries, other management expenditure, buildings and related expenditure (Union delegations and OLAF)).

Article 318 TFEU evaluation report

8. The TFEU stipulates in article 318 that an evaluation report on the Union's finances based on the results achieved should be presented annually. Do the reports prepared so far meet the requirements for comprehensive and objective evaluation, and is there a need for a better systematization of these annual reports in line with the enhanced focus on performance based budgeting, promoted by the Commission?

Commission's answer:

As part of its Budget Focused on Results initiative, the Commission is committed to further streamline and improve its reporting on performance.

The Commission has implemented an action plan confirming the steps taken in response to comments made by the discharge authority on the first four editions of the article 318 report (see SWD (2015) 125 'Final stock taking of action plan for the development of the Article 318 report'). One of the actions completed is the integration of the Article 318 report into the Commission's annual Strategic Planning and Programming process. This has ensured that the report systematically feeds from the latest available information from the Commission's services on the performance of the MFF-programmes.

As part of its streamlining efforts, the Commission intends to combine the Article 318 and Synthesis report within one single comprehensive report as from 2016 onwards.

9. Should it not be the Commission as the body responsible for assessing the results achieved by the implementation of the EU budget which has to present to the Parliament reports in this regard rather than the administration in person of the Secretary General?

Commission's answer:

The Secretariat General drafts the Article 318 Report, as the Commission's central service coordinating the contributions of individual Directorates-General. The Secretariat General acts under the authority of President Juncker, and so it is the Secretary-General who presents the report in EP-CONT. As referred to in question 8, the Commission intends to combine the Article 318 and Synthesis report in one comprehensive report as from 2016 onwards.

MFF Mid-term review

10. What legislative proposals and when will the Commission be presenting for revision of the 2014-2020 MFF in compliance with the requirement for mid-term post-electoral revision of the MFF and taking into consideration the serious delays in approving the necessary implementing acts, as well as the changed macroeconomic environment, and social and economic indicators in comparison with those at the time of the MFF adoption?

Commission's answer:

The MFF mid-term review/revision together with the Budget Focused on Results strategy, constitute an opportunity to continue reforms and implement political priorities agreed for the MFF 2014-2020 so as to stimulate growth and economic recovery in the EU. It will also be an important staging post on the road to the Commission's proposal for the next Multiannual Financial Framework, which "the Commission shall present before 1 January 2018" according to Article 25 of the MFF Regulation.

The Commission services are currently preparing the review/revision of the functioning of the MFF as required by article 2 of this regulation by the end of 2016. The Commission adopted a roadmap on the Mid-Term Review of the MFF 2014-2020 in December 2015 (http://ec.europa.eu/smart-regulation/roadmaps/docs/2016_sg_003_mff_2014-2020_en.pdf). At this stage, it is still too early to comment on the content of the mid-term review/revision or related legislative proposals.

Transfer of resources

11. What is the Commissioner's opinion about possible transfer of resources from the European Social Fund and other social programs to migration and asylum policy in order to tackle problems related to the current migrants' crisis and is it not clear

that the response to this crisis should not be reduction of the social expenditure but increasing and making them more effective?

Commission's answer:

ESF funds (and other funds such as FEAD) are relevant tools to support active social inclusion of disadvantaged people including migrants and asylum seekers and are complementary with other tools at EU and at national level. Indeed, the ESF is already contributing to the migrants' integration into the labour market, thus complementing the AMIF/ISF interventions. For more details, please see the reply to question 49 of Commissioner Thyssen's questionnaire.

Using existing tools to offer assistance to migrants and asylum seekers as well allows ensuring horizontal coherence in the repartition of spending amongst different disadvantaged groups including EU citizens who have been hit by the impact of the economic and financial crisis. Together with the Commission, Member States may decide to review the spending priorities of their Operational Programmes throughout the multi-annual financial framework to accommodate newly emerging needs.

The part of the ESF as well as the absolute amounts earmarked to social inclusion measures have substantially increased in 2014-2020 compared to 2007-2013, and has even exceeded the newly introduced compulsory earmarking of at least 20% of ESF allocation to social inclusion.

Fight against fraud

12. How will the Commission strengthen its cooperation with the Member States on mitigating fraud in the field of the EU funding?

Commission's answer:

The Commission has continuously strengthened its cooperation with Member States to mitigate fraud in the field of EU funding through measures both by OLAF and by the Commission.

OLAF reports on its activities annually in the OLAF Report and in the Report on the Protection of the Financial Interests of the European Union. The Office relies on the network of Anti-Fraud Coordination Services (AFCOS), which now exist in all Member States following the implementation of Regulation 883/2013, and on the Committee on the Coordination of the Fight against Fraud (COCOLAF). In these fora OLAF shares with the Member States its investigative and policy experience, and develops and exchanges best practices in the protection of the EU's financial interests. In collaboration with Member States experts, OLAF develops each year practical guidance documents for the Member States' competent authorities to facilitate the prevention and detection of fraud. OLAF also encourages Member States to develop comprehensive national anti-fraud strategies and provides assistance in this regard.

In shared management, the relevant bodies in the Member States stand in the front line to prevent, detect and correct fraud, but. They need to act efficiently and

therefore need information and training in this area.

To this end, in the area of common agricultural policy, the Directorate-General for Agriculture and Rural Development has delivered in 2014 and 2015 dedicated seminars on the prevention and detection of fraud and irregularities to the paying agencies/managing authorities in all Member States and Candidate Countries. This approach ensures that a maximum of staff involved in this area are reached directly and facilitates direct contacts with the Member States when necessary.

The Commission has also given written guidance to Member States on how to implement the new anti-fraud provisions contained in the CAP legislation for 2014-2020. It will in addition distribute written information on fraud risk assessment and on fraud indicators in all official languages to help paying agencies/managing authorities to improve their expertise in this field.

In the context of structural funds management, close cooperation between Directorates-General for Regional and Urban Policy; Employment, Social Affairs and Inclusion and Maritime Affairs and Fisheries with the support of OLAF has been in place since 2008 through a Joint Anti-fraud Strategy. For the 2014-2020 programming period, there is a new requirement for Member States to establish effective and proportionate measures against fraud. Directorate-General for Regional and Urban Policy drafted and released in June 2014 an important guidance note for the Member States on a methodology and a tool for fraud risk assessment and accompanying effective and proportionate anti-fraud measures.

This guidance, including the tool for fraud risk assessment, has been presented to the Member States in anti-corruption and anti-fraud seminars (12 in total) in the area of European Structural and Investment funds, organised by the Commission with the involvement of OLAF. Over the last two years these seminars aimed to help Member States fight the misuse of these funds and were targeted at 15 Member States where the transparency international corruption perceptions index is the highest.

Directorates-General for Regional and Urban Policy and Employment, Social Affairs and Inclusion have also actively promoted the use by responsible national authorities of the Arachne tool, a preventive risk-scoring tool developed by the Commission. It can help and support management decisions at managing authority level since it can bring significant improvements in the prevention and detection of various risks related for example to public procurement procedures, conflicts of interest, concentration of grants under particular operators. It can also help identifying red flags of fraud suspicion. The aim is to promote the introduction of Arachne to all Member States in the coming years.

13. How will the Commission proceed in the fraudulent case of Agrofert of Czech Finance Minister Andrej Babis?

Commission's answer:

As a general rule, OLAF analyses incoming information of potential investigative

interest in accordance with Regulation 883/2013. Specialised experts evaluate this information in accordance with standard procedures to find out whether:

- it falls within OLAF's competence to act (in particular whether it relates to OLAF's mandate to protect the EU's financial interests),
- there is sufficient suspicion of fraud, corruption or any illegal activity affecting the EU's financial interests for OLAF to open a case.

If these two requirements are met, OLAF applies further criteria set out in Article 5(1) of Regulation 883/2013, inter alia the Office's investigative policy priorities.

It is only after such an initial assessment that OLAF decides whether or not to open an investigation. Please note that the fact that OLAF assesses the information received does not mean that the individuals in question are guilty of any wrongdoing. OLAF fully respects the presumption of innocence.

At the moment of finalising this reply (18 January 2016), the assessment of the Agrofert case by OLAF was still on-going.

The reply given by Commissioner Hogan to Question no 26 of the written questions addressed to him and the replies given by Commissioner Cretu to Questions no 44 f) and g) of the written questions addressed to her remain valid.

14. Is the Commission considering a tougher approach to Greek problems with implementation of projects financed from the EU funds?

Commission's answer:

The Commission services (SRSS, OLAF, REGIO and EMPL) have supported the Greek services in designing a dedicated anti-fraud strategy that was adopted in July 2014. The strategy is now being implemented with further support from the Commission services. The Ministry of Economy Development and Tourism, which is responsible for the implementation of Structural Funds policy for all Ministries, integrated the key measures in the Implementing Law which relates to 2014-2020 period. These measures concern mobility policy, declaration of asset and absence of conflict of interest, the use of an IT Platform to increase the transparency of project management, implementation of a mechanism for reception of complaints on co-financed projects, and constitute eligibility criteria for declaring expenditures to the Commission under the 2014 - 2020 programming period. Other measures, such as systematisation of risk analysis exercise, will be extended to all managing authorities and implementing bodies. Moreover, OLAF organised in February 2014 a high level event and a two-day seminar dedicated to anti-fraud training for the benefit of all managing authorities and implementing bodies. The concept of the training was 'train the trainer'. The Greek authorities informed the Commission that trainers trained by OLAF have been training the competent authorities in Greece. In addition, in November 2015, OLAF organised at regional level, in Athens, a three-day 'train the trainer' course on the Irregularity Management System, which included a module on fraud prevention. The Commission will be informed by the Greek Authorities on the follow-up.

15. What mechanisms has the Commission put in place to prevent the funding of companies involved in tax fraud? What action the Commission has put in place to prevent European companies who receive funding to benefit from advantages linked to fictitious headquarters in tax havens?

Commission's answer:

The primary responsibility of the Commission in implementing EU budget is to protect the Union's financial interests, i.e. to protect it from irregular expenditure. New provisions of the Financial Regulation (Article 105a to Article 110) improve from 2016 onwards the exclusion system from allocation of EU funds of unreliable economic operators, including those operators involved in tax fraud (see EP and Council Regulation N°2015/1929 of 28 October 2015, OJ L 286, 30.10.2015, p.1). Economic operators or persons having powers of representation, decision-making or control over them are excluded from EU financing when they have been the subject of a final judgement for fraud, including tax fraud. In the absence of a final judgment, there will be a centralised assessment of all exclusion requests by a dedicated centralised panel. This panel has the power to recommend decisions of exclusion or of financial penalties to the competent authorising officer of the EU institution concerned.

As regards funds provided through financial instruments, the Financial Regulation contains a strict provision (Article 140(4)) as regards jurisdictions which do not apply the internationally agreed tax standard. Compliance with this standard is assessed by the Commission, based on the OECD Global Forum on Transparency and the Exchange of Information for Tax Purposes in its Peer Review Process.

For the implementation of its EU financial instruments, entrusted entities such as the European Bank of Investment (EIB) or the European Investment Fund (EIF) must not maintain business relations with entities incorporated, in territories whose jurisdictions do not co-operate with the Union in relation to the application of the EU and internationally agreed tax standard and shall transpose such requirements in their contracts with the selected financial intermediaries.

Further, the Commission, by carrying out assessments, seeks to ensure that such funding is not used in countries and structures contravening the current EU tax priorities and international efforts in respect to minimum standards of good governance in tax matters (transparency, exchange of information and fair tax competition).

The Commission therefore seeks to ensure that no cross-border operations involving tax havens are carried out within Union financial instruments. It will also propose the consolidation of all the provisions on preventing fraud and conflict of interest for the implementation of financial instruments into the main body of the Financial Regulation, as part of its 2016 review.

16. The Commission may provide statistical certified data on the impact of corruption in Europe affecting European funds for each Member State?

Commission's answer:

There is a certain amount of data that may give an indication of the impact of fraud and corruption on EU funds.

For example, according to the Irregularity Management System (whereby Member States report irregularities to the Commission), between 2010 and 2014, 37 cases have been reported concerning breaches in relation to 'Ethics and Integrity' (this includes corruption and conflict of interest) in relation to the Structural Funds, involving over EUR 156 million. In relation to agriculture, these amount to 16 cases involving almost EUR 36 million.

Another example is the study on "Identifying and reducing corruption in public procurement in the EU" which was commissioned by the European Commission (OLAF) at the request of the European Parliament. The study was published on October 1st, 2013 and is available on the OLAF website. The scope of the study is the cost of corruption in public procurement related to Structural and Cohesion Funds.

17. It turns out that pre-accession funds have been used in Serbia to assist European companies that transferred their production there. Has the Commission carried out checks to monitor this situation? How has it acted to prevent this phenomenon?

Commission's answer:

The Instrument for pre-Accession Assistance (IPA) has not been used to support establishment of EU companies in Serbia, and is not designed to provide fiscal aid.

The European Commission supports Serbia's effort to strengthen competitiveness. However, measures to boost competitiveness under IPA do not support the establishment of new factories. The IPA measures taken typically concern the improvement in the regulatory environment, co-financing of new infrastructures of public interest or support to SMEs in line with EU practices. They are designed in such manner to benefit all potential investors, both domestic and foreign.

The Stabilisation and Association Agreement which Serbia signed with the EU obliges the country, including its local authorities, to fully comply with EU state aid rules when providing Serbian fiscal, direct or indirect, support to companies.

Transparency

18. Transparency of data on beneficiaries has been increased in recent years, but difficulties are still experiencing in the Member States to make available data on funding for programs such as immigration and integration. Could the Commission explain this difficulty?

Commission's answer:

Further to the Commission Delegated Regulation (EU) N° 1048/2014 laying down information and publicity measures for the public and information measures for the beneficiaries in relation to the implementation of the Asylum Migration and Integration Fund as well as the Internal Security Fund, Member States shall ensure that information and publicity measures provided for in Article 53(1) of Regulation (EU) No 514/2014 are disseminated widely using various forms and methods of communication. The Member State shall ensure that the key elements regarding the national programme are disseminated widely, with details of the

financial contributions concerned, and that they are made available to all interested parties.

However, the Member State may decide to keep confidential the detailed management arrangements laid down in the national programme and any other information relating to its implementation on grounds referred to in Article 53(3) of Regulation (EU) No 514/2014.

The Member States shall ensure that the beneficiaries shall also be responsible for informing the public about the financial assistance obtained under a national programme.

The Commission intends to regularly monitor the implementation of these provisions in the annual control and monitoring procedures and processes with Member States and to ensure the appropriate measures be taken to remedy potential insufficiencies.

In addition, the Commission has elaborated a Transparency Register (<http://ec.europa.eu/transparencyregister/public/homePage.do>).

19. What is the policy of transparency data relative to the beneficiaries of projects funded with project bonds? What is the monitoring system that the Commission puts in place to verify the correctness of expenditure in projects financed by project bonds? In case of abuse of these funds, what action the Commission may undertake?

Commission's answer:

All project bond credit enhanced transactions signed by the EIB under the Pilot Phase of the Project Bond Initiative (PBI) are published on the EIB's website. The Commission and the EIB report half-yearly to EP and Council on the status of PBI implementation. A full-scale independent evaluation of the Pilot Phase of the initiative was carried out in 2015. The final evaluation report will be presented to the EP and the Council and will be made public in February 2016. The evaluation made an individual assessment of all the projects that have been supported by the Pilot Phase of the Initiative as at 31 July 2015. A Commission interim report and an external evaluation were published in December 2013 and June 2014, respectively. Finally the PBI is also reported on yearly to EP and Council in the context of the report under Art. 140(8) of the Financial Regulation.

As foreseen in the relevant documents, regular monitoring of the project bond supported projects is carried out by the EIB, which in turn is regularly reporting about these projects to the relevant Commission services.

According to the relevant agreement, the EIB has to take appropriate measures to prevent irregularities and fraud in the management of PBI. In the event of established fraud, the EIB shall undertake actions to recover amounts due. The audit rights of the ECA for the PBI are foreseen in line with the Tripartite Agreement between ECA, the Commission and the EIB.

NGO-financing

20. How much EU-funding did non-governmental organisations receive in 2014 from the following DGs? Could the Commission please list the respective NGOs linked to the amount of EU-funding and DG?

Commission's answer:

There is no legally recognised official definition of an NGO. In general terms however, NGOs share the characteristic that they are not created to generate personal profits and are independent from governments, political parties and commercial organisations.

a. DG Environment

Commission's answer:

DG ENV funded 225 NGOs for EUR 52,142,026.8 in 2014 including EUR 49,157,832.11 for grants and EUR 2,984,194.69 for procurement contracts. The detailed list is attached to this questionnaire.

b. DG Trade

Commission's answer:

In 2014, DG TRADE concluded three service contracts with the EUROPEAN JOURNALISM CENTRE FOUNDATION EJC for a total amount of 119.277 € to assist DG TRADE in the organisation of journalist seminars in Brussels. In addition, a number of representatives from non-governmental organisations are reimbursed their travel expenses in the context of the Civil Society Dialogue meetings and Domestic Advisory Groups.

c. DG Health and Consumers

Name of NGO receiving EU funds as <u>main beneficiary</u>*	Commitments made in 2014 EUR
ASSOCIATION FRANCAISE DE NORMALISATION*	76,21
BLINDENZORG LICHT EN LIEFDE VZW*BLL SOLIDARITE EN VUE SOLIDARITY IN SIGHT	14.400,00
DRUSTVO ZA ZASTITU POTROSACA ISTRE*	15.000,00
EURORDIS - EUROPEAN ORGANISATION FOR RARE DISEASES ASSOCIATION*	499.254,00
NACIONALINE VARTOTOJU KONFEDERACIJA	10.000,00
POTROSACKI FORUM UDRUGA ZA ZASTITUI PROMICANJE POTROSACKIH PRAVA GRADANA*	15.000,00
SAVEZ UDRUGA ZA ZASTITU POTROSACA HRVATSKE*ASSOCIATION OF CROATIAN CONSUMER	14.945,00

PROTECTION ORGANIZATIONS	
STICHTING EUROPEAN JOURNALISM CENTRE*EUROPEAN JOURNALISM CENTRE FOUNDATION EJC	274.777,60
TOTAL	843.452,81

d. DG Employment, Social Affairs and Inclusion

Commission's answer:

According to the Financing Decision [C\(2014\)1429](#) adopted by the Commission on 12/03/2014, chapter 1.2.6², an indicative amount of 11,000,000.00 € has been allocated to support 19 NGOs dealing with poverty and social inclusion and microfinance.

The table below shows the list of NGOs funded and the amounts finally committed by the Commission. As the final payments are still on-going, the exact amount paid out on the basis of the 2014 commitments cannot yet be precisely determined.

CARES (CARITAS)	CARITAS 2015 Annual Work Programme	€ 742,676.21
COFACE	COFACE 2015 Annual work programme	€ 465,968.40
EAPN* (individual and joint action)	EAPN 2015 Annual Work Programme	€ 997,039.53
EASPD	EASPD 2015 Annual Work Programme	€ 467,469.87
ENSIE	ENSIE 2015 Annual Work Programme	€ 124,880.00
EPR VZW	EPR 2015 Annual Work Programme	€ 100,000.00
ERGO	ERGO 2015 Annual Work Programme	€ 403,181.00
ESN* (individual and joint action)	ESN 2015 Annual Work Programme	€ 922,332.12

² 1.2.6 Call for proposals for awarding grants to the Annual Work Programme of the NGO networks active in promotion of social inclusion and poverty reduction or active in the promotion of microfinance and social enterprise finance who have signed the 4-years framework partnership agreements.

Eurocarers (EUCA)	Eurocarers 2015 Annual Work Programme	€ 288,595.00
EUROCHILD* (individual and joint action)	EUROCHILD 2015 Annual work programme	€ 874,754.48
EUROCITIES	EUROCITIES 2015 Annual work programme	€ 874,473.11
Eurodiaconia	EURODIACONIA 2015 Annual work programme	€ 516,414.68
EUROHEALTHNET (EHN)	EUROHEALTHNET 2015 Annual Work Programme	€ 496,676.52
FEANTSA	FEANTSA 2015 Annual Work Programme	€ 966,340.74
PICUM	PICUM 2015 Annual Work Programme	€ 641,646.38
SOLIDAR	SOLIDAR 2015 Annual Work Programme	€ 368,112.80
EUROPEAN VENTURE PHILANTHROPY ASSOCIATION	Strengthening and supporting a European eco-system for social enterprise finance	€ 460,728.40
FUNDACJA MICROFINANCE CENTRE	Financial Inclusion for Inclusive Growth in Europe	€ 186,274.00
RESEAU EUROPEEN DE LA MICROFINANCE	Microfinance for social and financial inclusion in Europe	€ 413,708.62
TOTAL		10,311,271.86

The Commission notes that apart from the above mentioned support, other NGOs might also have received grants through DG EMPL calls for proposals open to different kinds of potential beneficiaries (so called action grants).

Lyon- Turin

21. The project of the high-speed railway Lyon-Turin is part of TEN-T projects financed by the European Union. Could the Commissioner provide the following information:
- How many funds were disbursed in 2014 to the project by the EU? Could the Commission provide detailed data for every year till now of EU funds so far handed out?
 - What systems of expenditure control have been applied?
 - What actions related to the project have been funded (exploration, preparatory work, etc)?
 - Are there certifications on proper expenditure regarding 2014 related to EU funds used in the project?
 - Could the Commission also provide a copy of the application for funding submitted by the French Ministry of Ecology, Development and Energy (2014-EU-TM-0401-M *) as approved by the European Commission?
 - Can the Commission provide the assessment of the project impact from an economic and an environmental point of view?

- g How the fact that France does not allow the passage of trains on its territory suitable for carrying lorries has affected the impact assessments? What are the estimates for the expected traffic in case France should abolish this restriction?
- h In Italy some work on the project were assigned to companies linked to organized crime (sentenced for this reason). What preventive measures have been put in place for funding handed out to these companies? What anti-mafia certifications is the Commission requesting to the companies benefiting from European funding?
- i In Decision C2008-7733 for the granting of financial assistance of € 671.8 million, the cost of the activity 1.5 "gallery Saint Martin de la Porte" (page 23) was estimated at €96.1 million for 300 meters (over 300 m optional - pages 12 and 13/147) defined in the grant application. The decision C2013-1376 indicates for Activity 5 "Gallery Saint Martin de la Porte" (page 14) an evolution of the eligible cost of €250,118,925. What is the justification for the 2.5-fold increase of the eligible cost? What exactly is financing, what are the changes in the application for funding and how it was decided this change?

Commission's answer:

a) In 2014, €8.865.700 was disbursed following the assessment of the 4th interim payment claim of the 2007-EU-06010-P Action.

Detailed data on TEN-T and CEF disbursements by year are presented in the table below (in EUR):

Year	2005-EU-603A	2007-EU-06010	2014-EU-TM-0401-M	Total
2005	24.000.000,00	-	-	24.000.000,00
2006	-	-	-	-
2007	-	-	-	-
2008	-	16.050.000,00	-	16.050.000,00
2009	22.419.363,54	19.445.000,00	-	41.864.363,54
2010	-	47.132.936,44	-	47.132.936,44
2011	-	20.075.302,45	-	20.075.302,45
2012	-	9.998.035,94	-	9.998.035,94
2013	-	137.287.378,17	-	137.287.378,17
2014	-	8.865.700,00	-	8.865.700,00
2015	-	2.845.462,50	36.432.000,00	39.277.462,50
	46.419.363,54	261.699.815,50	36.432.000,00	344.551.179,04

b) The Commission applies two systems of expenditure control:

1. "Ex-ante control" on each submitted payment claim. They are performed by the Finance and Operational Units of INEA, based on the analysis of technical and financial reports and a sampling methodology aiming at providing a reasonable assurance that the accepted costs comply with the definition of eligible costs as per the Decision.

2. "Ex-post control", i.e. after a payment is made. They are performed by the External Audit function of the Innovation and Networks Executive Agency (INEA). For the Lyon-Turin two audits were performed in July 2011 and March 2013. In May 2015 the European Court of Auditors performed an audit as well, with no findings yet.
- c) Activities funded so far include studies (preliminary and final design studies; geological investigation; environmental studies) and land acquisition.
- d) Yes, the Member States' certification is a compulsory document when submitting a payment claim to INEA. Based on internal audit, external audit or any other form of verification, they certify that:
- Requests for payment are complete, reliable and true;
 - Claimed costs are eligible and duly substantiated;
 - Used accounting rules comply with legislation in force;
 - Obligations to pay taxes and social security contribution are respected;
 - Activities do not benefit from any other Community funding.
- e) This request must be assessed under the provisions of Regulation 1049/2001 regarding public access to European Parliament, Council and Commission documents. Article 4(5) of this Regulation provides that a Member State may request the institutions not to disclose a document originating from that Member State without its prior agreement. Therefore, the Commission cannot disclose the application sent by France without its agreement.
- f) The Commission can't provide such document without the agreement of Member States. Some of the documents are part of the application sent by the beneficiaries. As explained in the previous point, these are document originated by Member States and therefore, according to Regulation 1049/2001, we need the agreement of the Member State to disclose it.
- g) A railway motorway service is being used since 2003 on the existing line and provides a commercial service between Aiton-Bourgneuf in Savoie and Orbassano, on the outskirts of Turin. The use of lowered wagons enables the transport of entire trailers or trucks up to a height of 4 metres, notably because of the limits of size of the historic line. The aim with this first railway motorway through the Northern Alps is to transport, ultimately, 100 000 trucks per year. The construction of the Lyon-Turin line will allow the implementation of a high capacity rail motorway on the model of Eurotunnel, able to embark rapidly over 700 000 lorries per year on shuttle trains (all types of heavy vehicles up to 4,20 metres in height). Taking into account other freight traffic (freight trains and conventional trains of containers), the capacity of the new link will represent 40 MT/year, i.e. the equivalent of 3 million trucks.

h) Commission ex-ante and ex-post controls are in place to ensure regularity of the spending and have confirmed that the contracting authority requires the compulsory submission of anti-mafia certificates covering key executives of the tendering parties in the tendering process for contract opportunities published according to LFT procurement rules, and which are to be delivered in Italian territory -both as matter of procurement policy and in practice for the contracts tested.

i) Although the title of activity 1.5 did not change, the technical description of the activities was substantially extended. A study, finalised in 2011, after the adoption of the C2008-7733 underlined the need to make more thorough investigations as regards geological, hydrogeological and geo-mechanic conditions in the Houiller rock massif, where the future excavation of the base tunnel will cross the weakest ground conditions. This is why the scope of activity 1.5 was extended. As a matter of fact, while Decision C2008-7733 was referring to 300 meters, Decision C2013-1376 referred to 3 kilometers.

In large civil construction projects, information about rock properties is gathered before the full excavations begin to: i) evaluate the technical feasibility of future works, through the identification of any geological and environmental problem linked to the use of tunnel boring machine (TBM); ii) plan appropriate technical solutions for a timely and cost-effective implementing plan of future works; iii) prepare tender of the future works (define terms of reference and decide the most appropriate financial package).

Questions related to the ECA Annual Report

22. The question relates to paragraph 6.67. of the ECA Annual Report 2014 and concerns Financial instruments: Could the European Commission elaborate how much money is affected and which projects are concerned? How is the Commission auditing these projects and the EU-amount paid?

Commission's answer:

Concerning the amounts involved in financial instruments (first sub-question on 'how much money is affected and which projects are concerned'), the Commission has provided figures to the CONT Committee in the context of its replies to previous questionnaires:

- On amounts of financial instruments managed under shared management, the Honourable Member is referred to the reply provided to question 32 sent to Commissioner Crețu;
- On amounts of financial instruments managed under shared management by the EIB specifically, the Honourable Member is referred to the reply provided to question 26 included in the additional questionnaire sent to Commissioner Thyssen;
- On the type of projects financed, the Honourable member is referred to the reply provided to question 31.d) sent to Commissioner Crețu.

The Commission is continuing its efforts to increase the absorption rate of the

related funds.

On the second sub-question, as explained in the Commission's reply to paragraphs 6.66 and 6.67 of the Annual Report of the Court, and in line with the regulation, Member States are in first instance responsible for verifying the set-up and implementation of financial instruments, for example through management verifications (managing authorities) and sample checks on operations (audit authorities). In line with their audit strategy, the Commission's audit services are also carrying out since 2011 thematic audits on the implementation of financial instruments. So far, 17 audits have been carried out by DG REGIO and 8 by DG EMPL (see for example the 2014 annual activity report of DG REGIO, pp. 51-52).

The detailed audit methodology designed by the Commission in 2011 and shared with audit authorities clearly foresees the need to cover implementation of such funds as well, and not only the set-up of instruments. In line with the regulation (article 78(6) of regulation (EC) No1083/2006), statements of expenditure during implementation include the expenditure paid in establishing or contributing to such financial instruments, while the eligibility of expenditure corresponding to investments into final recipients is finally assessed at the latest at programme closure. This however does not preclude the possibility for national or EU bodies to assess whether investments of a specific financial instrument are fully in line with the terms and conditions of the fund during implementation. To that effect in the 2015 Homologues Group meeting, the Commission services have discussed with all national audit authorities how to ensure adequate audit work on the implementation of financial instruments to underpin the audit opinion required at closure (March 2017).

In the case of EIB group holding funds, following a memorandum of understanding signed in 2015 the Commission services are currently designing the operational arrangements to ensure a smooth and reliable closure of the concerned financial instruments. These arrangements will take account of the partial work on implementation of these specific instruments already done by some audit authorities.

23. The question relates to paragraph 6.79 of the ECA Annual Report 2014

- a. recommendation 1: when will the Commission submit an analyse on gold plating? For which funds? Which member states?

Commission's answer:

The Commission services have launched in July 2015 a study on new provisions on simplification during the early implementation phase of the European Structural and Investment (ESI) Funds. The overall objective of this study is firstly to assess how the simplification possibilities in the new regulatory framework of the European Structural and Investment Funds have been taken up by Member States during the early implementation phase and secondly to compare and quantify the impact of regulatory changes in the overall delivery mechanism on the administrative burden and costs for beneficiaries and programme authorities. Thirdly, the study should also look at the creation of additional administrative burden and costs resulting from rules at national or regional level which go beyond what is strictly required by Union legislation

(“goldplating”).

The study covers all five ESI Funds. The analysis of the “goldplating” aspect will be addressed by desk studies of a sample of programmes covering all five ESI Funds and surveys of a representative sample of beneficiaries covering all Member States and a representative selection of programmes. The study should be finalised by the end of the year.

The Commission services for Cohesion Policy have also recently included in their audit methodology a new objective for Commission and national auditors to report identified instances of processes and procedures which constitute excess administrative burden and cost or which can be simplified without undermining the overall assurance and effectiveness of the management and control system, for the 2014-2020 programming period. Such audit results once available will feed into the analysis of 'goldplating' under the Funds.

- b. recommendation 2: which concerns a closer control of the audit bodies.
When will the Commission implement this recommendation?

Commission's answer:

The Court's recommendation 2 refers to the need for managing authorities and their intermediate bodies to intensify and improve their management verifications ('first level checks'). The Commission has provided so far extensive guidance and support to the programme authorities, in particular through targeted remedial actions when weaknesses are identified. For the programming period 2014-2020, a detailed guidance note on management verification was published on 17 September 2015 and shared with programme authorities. In addition, a new tool for Peer to Peer exchanges amongst national authorities has been launched in order to help authorities identify good practices and obtain expert advice.

The second part of the recommendation concerns the need to ensure that audit authorities re-perform some of the checks through their system audits. As indicated in the Commission's reply to this recommendation in the Court's Annual Report, such checks and re-performance is part of system audits, as per the normal audit methodology. Audit authorities transmit their system audit reports to the Commission throughout the year. The Commission uses the national audit results as a source of payment interruption, when weaknesses are identified in such management verifications. In line with their joint audit strategy as updated in 2015, DG REGIO and DG EMPL continue to focus their audits on the review of the work of the national audit authorities and on the assessment of the quality of the first level checks for the OPs identified as more risky in the annual risk assessment, up to closure of the 2007-2013 programmes. Statistics on the type of audits performed in 2014 are mentioned in the respective 2014 annual activity reports, pages 45-46 and 48 for DG REGIO and pages 55 to 59 for DG EMPL. The Honourable Member is also referred to the reply to question 9 to Commissioner Crețu and to the specific DG REGIO report forwarded to the CONT Chair and Rapporteur by letter Ares(2015)5381345 of 26/11/2015).

- c. recommendation 5: The Commission should submit a legislative proposal to amend, through a legislative act of equal legal

value, Regulation (EC) No 1083/2006. Could the Commission please provide Parliament with the opinion of the Commissions legal service as EP rights could be affected?

Commission's answer:

In the Context of an Inter-Service Consultation on this issue, the Commission's Legal Service came to the following conclusions:

Article 78(6) of Regulation (EC) No 1083/2006 provides specific modalities for the declaration of the expenditure for financial engineering instruments.

While for all other forms of contributions, Article 78(1) of Regulation (EC) No 1083/2006 refers back to Article 56 setting out that the end date for eligibility is the 31 December 2015, Article 78(6) with regard to financial engineering instruments clearly indicates to be applied "by way of derogation from Article 78(1)". Further, different from other eligibility rules, Article 78(6) sets out a list of what constitutes eligible expenditure from financial engineering instruments to final beneficiaries.

The legislator has introduced specific modalities in Article 78(6) of Regulation (EC) No 1083/2006 because it is aware that financial engineering instruments imply an implementation via two layers: first, a contribution from operational programmes to financial engineering instruments and then expenditure by financial engineering instruments to final beneficiaries. The expenditure by financial engineering instruments to final beneficiaries, which serves to justify the contribution from operational programmes, is different in nature from expenditure in grants etc. and is necessarily incurred at a later stage, namely once the financial engineering instrument is up and running. This difference justified that the determination of eligibility of underlying expenditure under Article 78(6) is to be different from the usual rules contained in Article 56 and to be made at any moment until partial or final closure of the operational programme. Article 78 (6) contains rules both about the eligibility of underlying expenditure in time - at partial or final closure - and about the type of such expenditure.

In sum, the eligibility rules for underlying expenditure by a financial engineering instrument are not set out in Article 56 of Regulation (EC) No 1083/2006, but in Article 78(6) itself.

The Commission's revised closure guidelines for the programming period 2007-2013 (C(2015) 2771) merely reflect this reality. The closure guidelines clearly spell out that it is only for expenditure underlying financial engineering instruments that the dates in Article 56 of Regulation (EC) No 1083/2006 do not apply. The Commission's closure guidelines hence fully respect Regulation (EC) No 1083/2006 and do not contain any modification of that Regulation. It would hence be misleading to state that there was an extension of the 2007-2013 eligibility period through a Commission decision.

The Commission's view on the end date of eligibility with regard to expenditure underlying financial engineering instruments is perfectly covered by Article 78(6) of Regulation (EC) No 1083/2006 as it currently stands and does not alter its sense. As the Commission's closure guidelines just reflect the wording, the purpose and the systematic position of Article 78(6) of Regulation (EC) No 1083/2006, no amendment is necessary or desirable.

- d. recommendation 7, 3rd bullet point: which concerns the certification of the accuracy of the data on financial corrections. The Commission has accepted the recommendation - until when it will be implemented?

Commission's answer:

The implementation of the recommendation is currently being carried out by Commission services through two types of checks:

- a thorough desk-review of the statement of financial correction submitted by Member States. As explained in page 58 of DG REGIO 2014 annual activity report, statements for 160 programmes were corrected in view of figures reported in the 2014 AAR.
- On-the-spot audits by Commission services on recoveries and withdrawals (financial corrections) reported by Member States. The Commission accepted the 2013 recommendation by the Court to increase its audits in this area. As a result, for DG REGIO 12 audits were carried out in 2014 (compared to 4 in 2013) and another 8 in 2015, covering thus almost all Member States since this enquiry was launched. For DG EMPL, 14 audit missions were performed in 2014 which covered more than 80 % of the amounts reported by Member States, and another 3 missions in 2015.

It should be added that for the 2014-2020 programming period, the accuracy of information on financial corrections will become part of the normal audit work to be systematically covered each year by audit authorities in view of their audit opinions on the programme accounts.

De commitment

24. Taking into account the significant delay in the approval of the new operational programmes and the low percentage of the advance payments is the Commission considering any measures that would allow the Member States' authorities to avoid the risk of automatic de commitment which they will be facing already in 2016?

Commission's answer:

The so-called 'n+3 rule' of the 2014-2020 period means that there is an automatic decommitment at the end of the year n+3 for any unused amounts of commitments made in year n, starting the year when programmes are adopted and commitments are made. This rule will thus apply for the first time only at the end of 2017 for the 2014 allocation of those operational programmes adopted in 2014. In 2016, the n+3 rule is therefore not yet of application. This 'n+3' rule of automatic decommitment applies to all Member States for the 2014-2020 period, instead of 'n+2' for most Member States in the 2007-2013 period. This should limit the risk of automatic decommitment.

In rural development, all programs were approved by end 2015. Member States are already implementing them, so there is no risk of de-commitment in 2016.

Recovery orders and financial corrections

25. One of the targets for 2014 was the reduction of the overall number of outstanding recovery orders below 1500. Regrettably this target was not achieved. This in turn may have led to a reduction of the Commission's ability to meet payments obligations. Has this been the case, what were the targets in this regard for 2015 and what actions has the Commission taken to ensure their achievement?

Commission's answer:

The objective of reducing the overall number of outstanding recovery orders below 1500 relates to the backlog of accumulated open entitlements concerning the General Budget over the years. This target is self-imposed and is used as an indicator of all open entitlements to recover, which add up to approximately 1500 recovery orders throughout the year.

In accordance with the provisions laid down in the Financial Regulation concerning the establishment of receivables and their follow up, the Commission's objectives in terms of recoveries are twofold: on one hand, it must ensure that the entitlements are established by the responsible authorizing officers, while on the other hand it must ensure that these claims are properly followed until the debt is settled or, in some cases and under certain conditions, waived.

The entire EU budget, including the own resources, is recovered by means of recovery orders. To this end, the Commission issues annually around 18.000 recovery orders. The major part -around 80%- of these 18.000 recovery orders are paid voluntarily before deadline, with 20% falling overdue.

Among the open entitlements, one half is still recovered by the usual pre-litigation procedure or by offsetting, while the remaining half (10% of all recovery orders issued) corresponds to problematic debtors and ends up swelling the backlog.

The existence of the resulting backlog reflects the economic situation of the debtors, and as a consequence the likelihood to recover an amount from a given legal entity depends on a series of factors like its financial strength, the country where it is established and the length of the legal procedures aiming at an enforced recovery.

In 2014, 590 (38%) of the total backlog of 1553 recovery orders was at the stage of enforced recovery by the Legal Service, whereas another 198 (12.7%) recovery orders corresponded to entities in liquidation or in a situation of bankruptcy and 49 (3%) claims were being paid in instalments.

In 2015, with a backlog of 1575 recovery orders, 589 (37.4%) were at the stage of enforced recovery, 240 (15.2%) corresponded to bankruptcies and 57 (3.6%) to payments in instalments.

In terms of amounts at stake, the total open amount at 31 December 2014 was EUR 175 432 416 and at 31 December 2015 EUR 210 569 903.

In comparison to the magnitude of the EU budget, the sums of the open entitlements are not likely to represent a financial threat preventing the Commission from meeting its payments obligations. Moreover, the amounts of the individual outstanding recovery orders are relatively low.

26. In the final judgements of the Court of Justice in cases C-549/12P, C54/13P and C-236/13P five financial correction decisions related to the closure of ERFF operational programmes (1994-1999) were annulled. Three Spanish programmes

and two German programmes are concerned for a total amount of EUR 457 Million/ more over in cases C-513/13P, C192-7/13P, C197/13P and C-429/13P the Court annulled four financial correction decisions related to the closure of Spanish Cohesion Funds projects of the 1994-1999 and the 2000-2006 programming period for EUR 45 million.

The Court of Justice based its decision on the fact that the financial correction decisions were adopted more than 6 months after the hearing with the Member States. How is it possible that the Commission made such procedural mistake? Are there other cases pending in Justice, for which amounts?

Commission's answer:

In its judgments in cases C-549/12P, C-54/13P and C-263/P, the Court of Justice annulled 3 General Court judgments affecting 5 financial correction decisions for the 1994-99 period concerning Germany and Spain.

The Court did not rule on the substance of the cases. Its annulment was based on a new legal interpretation that the most recent procedural rules had not been respected by the Commission for past programmes.

The Court of Justice applied the procedural rules laid down in Regulation 1083/2006 applicable for the 2007-2013 programming period to financial corrections for the 1994-1999 period. The Court of Justice considered that the Commission had failed in its obligation to organise a hearing with the Member State and to approve a financial correction decision within a given time-limit following the hearing (6 months). This is despite the fact that Regulation (EC) No 4253/88, applicable for the 1994/99 programming period, contains no requirement for a hearing and no deadline by which a Commission decision must be adopted.

The Court of Justice has now decided that this deadline, introduced in the regulation for the 2000-2006 programmes (3 months) but extended for 2007-2013 to 6 months, is also applicable to the programming period 1994-1999.

The Commission could not be aware when adopting its financial correction decisions on the 1994-1999 programmes that such conditions and deadlines would retroactively be applicable. Indeed, previous case-law of the Court of Justice considered that the regulatory deadline of (three or six) months for adopting financial corrections decisions was only indicative (applicable for all periods). This case-law have been modified by cases C-513/13P, C-192/13P, C-197/13P and C-429/13P, by which the Court annulled 4 General Court judgments affecting financial correction decisions related to the closure of Spanish Cohesion Fund projects of the 1994-1999 and the 2000-2006 programming period for EUR 45 million.

Following the previous case-law and questions on transitional provisions of the applicable Regulations, the Commission has brought appeal against 3 General Court judgments for cases C-139/15P, C-140/15P and C-495/15P (pending), concerning financial correction cases for 2000-2006 for the Cohesion Fund, totalling around €21 million.

There are also other 7 financial correction cases for 1994-1999 pending before the General Court, representing a total amount of around €137 million.

Procurement procedures

27. The Court of Auditors continues to detect a high rate of errors regarding the procurement procedures for EU funds in the Member States. Has the Commission provided a training system in place where is the highest number of errors? What parameters are using the Commission to define and detect errors and to identify such abuses under criminal law?

Commission's answer:

The Commission is continuously providing guidance to national authorities on public procurement. It has organised and will continue to organise numerous seminars, workshops, presentations and training sessions in Member States. An overview is given in DG REGIO 2014 annual activity report (Annex 8, page 158).

In addition, DG Regional and Urban Policy has also launched in January 2014 a public procurement action plan together with DG Employment and Social Affairs, DG Agriculture, DG Maritime Affairs and fisheries, DG Internal Market, Industry, Entrepreneurship and SMEs, and the European Investment Bank. Concerning the actions implemented under this action plan, the Honourable Member is referred to replies to questions 11 and 24 to Commissioner Crețu:

In fact, out of 14 actions of the updated joint action plan on public procurement, two are completed, eight actions are under implementation and four actions are in different stages of preparation.

The two actions completed are:

1. Compilation and analysis of evidence and indicators on public procurement performance as input for x-ante conditionality negotiations;
2. Preparation and dissemination of Practical Guidance on “How to avoid common errors”.

Under implementation are:

1. Stocktaking/ analysis of current Member States performance in capacity building, ("Stock-taking of administrative capacity, systems and practices across the EU to ensure compliance and quality of public procurement involving ESI Funds"): a draft final report has been received and the final report expected at the beginning of 2016. A seminar on the results of the study will be organised as well at the beginning of 2016;
2. Country specific action plans (Country strategies) for Member States with identified weaknesses: Romania, Bulgaria, Italy, Greece, the Czech Republic and Slovakia;
3. Training/Guidance on how to prepare and follow-up actions plans (linked to ex ante conditionality);
4. Preparation for the new public procurement directives (by 2016): training, dissemination, specific actions about new elements;
5. Transparency initiative against corruption ("Integrity Pacts") in

cooperation with Transparency International;

6. Assessments of current practices and need for professional training and qualifications in public procurement;

7. Targeted support for specific Member States to assist by learning by doing;

8. Study on how public procurement can be used as a strategic tool, ("Study on strategic use of public procurement"): the inception report has been received in June 2015.

Mid and long term actions are:

1. Update of the auditor's checklists for public procurement errors based on changes introduced by the new public procurement directives (by 2016-2017);

2. Developing an index for rating contracting authorities according to their performance on tendering procedures;

3. Scoping the potential for database on irregularities in public procurement and exploitation;

4. Actions to increase the quality of public procurement processes, to achieve more value for money through overall procurement processes, planning of e.g. of timelines for preparation of bids and evaluation, procurement strategy, market research.

Shortcomings in the implementation of public procurement rules are also an issue identified by many of the Commission's audits for many years and has been taken into account for the risk assessment in its own audit work, and for setting rules on flat rate corrections to be implemented by the Commission services and the Member States' authorities when detecting irregularities in public procurement procedures. Through its audit work, the Commission is continuously focusing on detecting and correcting errors in this area. As a consequence, a substantive part of financial corrections applied is due to such errors in public procurement.

Under the exercise of its supervisory role, when the Commission identifies a suspected fraud, for example in the application of public procurement rules, it notifies the case to the European Anti-Fraud Office (OLAF).

In order to address the risk of corruption in public procurement, the Commission services are organising since 2013 anti-fraud and anti-corruption awareness-raising seminars that have covered so far 15 Member States, in addition to a multilateral seminar in Brussels. In addition, under the public procurement action plan, the Commission is putting in place Integrity Pacts for an ethical behaviour in public procurement procedures, in cooperation with Transparency International. At least 15 Integrity Pacts projects are planned in the course of 2016 in the following Member States: BG, CZ, EL, HU, IT, LV, LT, PT, RO, SI, PL. Finally, the Commission services (EMPL and REGIO) have developed a preventive voluntary risk-scoring tool, Arachne, that can help prevent and detect risks related to public procurement, conflict of interest and concentration of funds. This tool has been made available to Member States free of charge, and is used on a voluntary basis.

Regarding the CAP (Common Agricultural Policy) 2nd pillar: on the investment

side, the non-respect of the complex public procurement procedures is considerably contributing to high error rates in rural development. DG Agriculture and Rural Development (DG AGRI) acts in a pro-active way to prevent implementation weaknesses related to public procurement rules.

In March 2015, DG AGRI organised a workshop on public procurement with managing authorities and paying agencies.

In November 2015, key changes on the public procurement directives (Directive 2014/24/EU, of 26 February 2014 on public procurement and repealing Directive 2004/18/EC) were presented in the Rural Development Committee, where managing authorities of the rural development programmes are represented.

The guidance document on the application of public procurement rules in the EAFRD specific context will be presented to the Member States in the Rural Development Committee in February 2016.

All this is done prior to April 2016, where the new EU rules on public procurement enter into force.

As to the question on the detection of errors, DG AGRI communicates an overview of frequently detected errors to the Member States during its conferences with the Paying Agencies.

In the framework of the clearance of accounts procedures, DG AGRI checks public procurement issues and imposes financial corrections, when justified. Any non-compliance with the rules evidenced during audits is treated according to the Guidelines for determining financial corrections on public procurement, C(2013)9527.

In 2015 DG AGRI has launched an additional series of audits dedicated to the respect of the public procurement rules, with the help of an external audit company. 4 audits (Germany, Romania, Spain and Bulgaria) have been carried out; in 2016, another set of 4 is planned.

DG AGRI does not pursue abuses under criminal law. In case of an assumed criminal aspect, the information is transmitted to OLAF.

EIB guarantee

28. In cases where the EIB has resorted to external guarantee provided by the EU budget, had the Commission carry out thorough checks on the causes of insolvency? Which system of ex ante and ex post evaluation is using the Commission in such cases?

Commission's answer:

According to the Guarantee Agreements signed between EIB and Commission, prior to a call of EU guarantee, the EIB shall inform the Commission of any fact or circumstance coming to its attention which it considers likely to cause it to call the EU guarantee. Following any EU guarantee payment, the EU is subrogated to

the EIB's rights. Therefore, the EIB informs the Commission of the grounds that led it to call the EU guarantee, as well as sends the Commission the relevant loan agreements and all documentary evidences. Based on all these elements provided, the EIB based on the recovery agreement can undertake all the procedures necessary for recovering the funds paid under the guarantee.

In the recent years, the EIB called under the guarantee of the External Lending Mandate only for loans granted to borrowers in Syria, where the reason for default lies in the disastrous situation in the country.

The total amount of Syrian calls registered until January 2016 was 227,178,495.31 EUR. Out of this amount 2,149,345.59 EUR were already recovered.

Out of the 225,029,149.72 EUR (amount of calls after deducting the recovered amount) an amount of 202,893,785.12 EUR was already paid to EIB. The difference of 22,135,364.60 EUR was called but not yet paid. It will be paid during the next months.

Direct management

29. 2014 has seen an increase of the rate of error in central management of EU funds compared to decentralised management that has experience a slight improvement. For the first time in years the EU budget managed directly by the Commission has the same rate of error. Considering that 2014 was for a certain number of programmes one of the last years of the programming period and a low of error could have been expected due to experience, how can the Commission explain the underperformance of EU budget directly managed?

Commission's answer:

It should be noted that the increase in the estimated level of error does not concern all funds under direct management but mainly chapter 5 of the ECA report in the area of Research. Other spending areas where Commission implements its funds directly include for example also external actions (chapter 8) and administrative expenditure (chapter 9). The error rates reported by the ECA for these areas are not at the same level as for the funds implemented under shared management (the estimated level of error taken as a whole for shared management 4,6% in 2014, 2,7% for chapter 8 and 0.5% for chapter 9)

However the Commission regrets the increase in the error rate for some of the directly managed EU funds, even if the European Court of Auditors states explicitly that in the field of research, detected errors are of the same scope and range as before, and even if the error rate is to a large extent due to a very limited number of cases involving large errors.

First, more generally regarding the level of the error rate in Chapter 5 of the Court of Auditor's Annual Report (based on the ECA's MUS-sample covering e.g. research, education, space, transport, energy expenditure), it should be noted that EU spending in this domain is to a great extent based on the reimbursement of actual costs to recipients which is inherently is more prone to errors than spending based on entitlements.

Second, as regards more specifically the EU spending under FP7, the Court of

Auditors recalls in points 5.4 and 5.11. that the persistent material level of error in research and innovation spending reflects risks inherent in the design and implementation of FP7 with complex eligibility rules (personnel costs, indirect costs), multiple funding rates and multiple partners and types of beneficiaries. For this reason simplifications and control modifications addressing these issues have been introduced in Horizon 2020. Based on the errors identified by the Court this year, we estimate that the error rate would have been around 25% lower under the rules of Horizon 2020, and many beneficiaries with smaller errors would have had no error at all.

In this context, it deserves emphasis that in 2014, the Court audited only transactions from the previous programming period. For these programmes, the legal framework is fixed and contracts were signed some years ago. It should also be noted that the error rate cannot necessarily be expected to decrease towards the end of a programme as the complexity factors referred to above still persist, some beneficiaries have not been audited before and some audited transactions still may concern newcomers to the programme.

Staff

30. How many staffs (all contracts included) were employed by the Commission by DG, by nationality, by gender and by grade?

Commission's answer:

The tables with the requested breakdown of staff (officials, temporary agents and contract agents) as of 31 December 2014 are reported in Annex XX

31. How many staff were employed on 01-01-2014 and on 31-12-2014?

Commission's answer:

The total number of officials, temporary agents and contract agents active on 1 January and 31 December 2014 was respectively equal to 29 683 and 30 129.

This increase corresponds to a rise in the number of contract agents between the two dates.

This results from two facts:

First, grand holders of the Joint Research Centre of the Commission formerly having local law contracts were progressively converted in 2014 into EU contract staff.

Second, a number of former contract staff had become "intérimaires" in 2013 pending the entry into force of the changes in the Staff Regulations on 1.1.2014 authorising contracts up to six years (instead of three). They have been then re-hired as contract staff progressively in the first months of 2014.

These changes were neutral in terms of budget appropriations for 2014.

32. How much was the Commission's budget for the salaries (all included (salary, allowances.) in 2013 and in 2014? How much was the Commission's budget for the salaries (all allowances excluded) in 2013 and in 2014?

Commission's answer:

Description	Gross amounts (in k€)		Evolution
	2013	2014	
Salaries (all included)	2 980 948	2 923 505	-0.8 %

Please note that all allowances account for a total amount equal on average to approximately 23% of the amounts above.

33. How much was the budget for the expatriated allowances of all Commission's staffs in 2013 and in 2014? How much could we save if the expatriated allowances were taxed as the normal staff salary in 2013 and in 2014?

Commission's answer:

The expatriation and foreign residence allowances account on average for approx. 13% of the basic salary. Taxation of the allowances would not have direct impact on the budgeted (gross) amount of expenditure, but would generate revenue for an amount estimated in EUR 25 million.

34. The new career structure was a new element after the reform of the EU Staff Regulation which entered into force on 1.1.2014. Promotion for normal AD staff should only be possible until AD 12. As of AD 13, promotion should be linked to a management position. Supposedly there will be a new category of senior experts and senior assistants who have access to AD 13 - AD 14 and AST 10 - AST 11, respectively. How many senior experts and senior assistants in which grades does the Commission employ or plan to appoint? Will the Commission inform the Parliament on a regular basis about new appointments?

Commission's answer:

The Commission has the possibility to appoint senior experts (AD 13 – AD 14) or senior assistants (AST 10 - AST 11) within the number of vacant posts in the establishment plan and the maximum rates provided for in Annex IB to the Staff Regulations. A global picture of the staff situation in the Commission is transmitted to the Budget Authority every year in the framework of the annual budget procedure in a dedicated working document. On the 1st of January 2016 there were a total of 479 senior experts and 140 senior assistants in the Commission.

35. How many interim staff was working for the Commission in 2014? What were the longest time frames, what the shortest?

Commission's answer:

About 1,000 individuals worked at least 1 day as interim staff for the Commission in 2014 for an average of 330 people employed at any given time of the year. Contracts are from 1 day to one week and can be renewed without interruption up

to a maximum of six months.

36. How many Commission employees in which grades have made use of Teleworking in 2014?

Commission's answer:

Over 9,300 staff made use of teleworking possibilities for at least half a day in 2014.

The breakdown by Grade can be summarised thus:

- Grades AD13-16 659
- Grades AD05-AD12 3,931
- Grades AST 3,598
- Contract Agents 1,147

37. What is the average number of staff working within a a) DG b) Directorate c) Unit. What are the highest/ lowest numbers of staff working for a) - c)?

Commission's answer:

On 31/12/2014 the Commission average staffing per DG/Directorate/Unit were respectively 866/150/31.

The highest number of staff (all staff types) by DG was 3690 (JRC) and the lowest 42 (EPSC).

For Directorates, the highest number of staff was 581 in SCIC and the lowest 12 in the Protocol Service in the SG.

For Units, the highest number of staff was 436 (ECHO – including field workers) and the lowest 4 (SCIC.A.19 - Maltese interpretation).

Internal Audit Units, centralised to the Internal Audit Service in the meantime, have been excluded from this assessment. EU delegations and Representations as well as administrative offices organised at Directorate level (OIB, OIL, PMO) were also excluded from the above calculations.

38. We would appreciate a comprehensive overview of staff on sick leave during 2014. Could you please make a comparison to the year 2013 broken down by the number of staff members that were on sick leaves and by how many days they were on sick leave? How many days of sick leave concerned Mondays and Fridays in 2014?

Commission's answer:

In 2014 23,227 staff took sick leave of one day or more compared to 22,852 in 2013.

Staff concerned took from one day to 1 year. The average number of sick leave

calendar days was 15.1 and 14.4 per staff Members in respectively 2014 and 2013. This includes long term sick leave and sickness days occurring in holidays and at the weekends.

60 007 and 65 881 days of sick leave were taken on Mondays and Fridays respectively in 2014 out of 451 000 sick leave calendar days. Staff has therefore been less sick on Mondays and Fridays combined than on other days on average.

It is worth mentioning that in 2014 more than an equivalent of 110 000 extra days have been worked by Commission staff without any payment or compensation.

39. How many Staff of the European Commission, Offices and executive agencies has been promoted more than one grade within 1) one year 2) two years. If there are cases of fast-track promotions: Which Grades in the respective DGs are concerned? What were the reasons?

Commission's answer:

In compliance with the provisions of Article 45 of the Staff Regulations, no officials have been promoted to the next grade without having completed at least two years in their grade.

40. How many former staff members of Commissioners cabinets or the cabinet of the Presidents of the European Commission were integrated in 2014 in the Commission's services without having successfully participated or not at all in an official EPSO competition?

Commission's answer:

Members of Cabinets are either officials or Temporary Agent 2c. The latter can be integrated in the services of the Commission upon termination of their contract only if they succeed a formal selection procedure.

41. Application of Article 9(2) of Annex VIII, Staff Regulation: How many officials and temporary agents took early retirement without reduction of pension rights in 2014? In which DG did they work? Which functions and grades did they have?

Commission's answer:

None. Please note that this measure was cancelled in the new SR from 01.01.2014.

42. Application of Article 50, staff regulations: How many officials of the Commission, Offices and executive agencies retired in 2014 in the interest of the service? Which functions and grades did they have?

Commission's answer:

None

43. How many officials in which functions and grades were moved to a 'non-active status' in 2012 according to Article 41 of the staff regulations in

Commission's answer:

None

44. How many former a) MEPs b) Commissioners and c) high officials (from AD 14) are working as advisors, contract agents or others? What are their tasks and the respective remuneration for a) to c)?

Commission's answer:

The details of names, curriculum vitae and tasks of Special advisers is publicly available on the following website:

http://ec.europa.eu/civil_service/about/who/sa_en.htm

As regards 2014, 16 former high officials, two former Commissioners and one former MEP have worked as Special Advisers for the Commission. These Special Advisers were not remunerated, with the exception of five former officials. Former officials are in principle not remunerated as Special Advisers. However, in view of the particular and urgent needs in the initial phase of the activities of the Task Force Greece and the Support Group Portugal, the College decided to grant derogations from this principle in these specific cases. The remuneration amounted to 599 EUR per day worked in one case and to 469 EUR per day worked in the four other cases.

The number of former MEP, Commissioners and officials above AD14 working as contract staff, temporary agents or officials is not centrally registered.

45. Could the Commission please inform us about the possibility and the rules for staff from pre-accession countries working for the EU Commission? How many staff members whose nationality is one of the pre-accession countries were working for the EU Commission in 2014 and from which countries were they coming, respectively?

Commission's answer:

Based on art.28 of the SR, staff may be appointed only if he/she is a national of one of the Member States of the Union, unless an exception is authorized by the Appointing Authority..

The Commission is the employer of local agents in EU Delegations or Offices in each of the pre-accession countries. These staff are not EU officials subject to the terms and conditions of the Staff Regulation. The total number of Local Agents per pre-accession country in Delegations in 2014 is shown below:

Nationality	Kosovo	Albania	BiH	FYROM	Montenegro	Serbia	Turkey
-------------	--------	---------	-----	-------	------------	--------	--------

Kosovar	51						
Albanian		23					
BiH			59		1		
Macedonian				35			
Turkish							85
Serbian						52	
Montenegrin					23		
Total	51	23	59	35	24	52	85

In addition to these, less than 10 contract agents with these nationalities work at the Joint Research Centre.

46. How many working days were granted as vacation days in 2014 for years of service in the Commission? How many people were concerned?

Commission's answer:

In 2014, 1,866 Commission staff members benefitted from days of special leave for years of service. In total, 9,330 working days were granted in 2014 in this framework. They correspond to a one-off 5-day leave for staff in their 20th or 30th year of service in the EU Institutions.

47. Have there been harassment cases (opened, closed, on-going) in 2014 and how much compensation for damages had been paid? How does the Commission intend to calculate the financial consequences of harassment cases in the European Commission?

Commission's answer:

In 2014 there were 21 requests for a formal procedure. Six administrative inquiries were opened in relation to allegations of harassment, out of which 2 were closed without follow-up in 2015 and 4 are pending. The other requests for assistance were rejected, as the allegations of harassment were considered not to be founded.

No compensation for damages has been paid by the Commission in 2014.

To date, the Commission has not defined a system by which the potential consequences of harassment can be measured and it is not aware of any similar system at the level of the European Institutions or other international organisations. The European Commission agrees that a more robust mechanism of calculation of possible financial consequences of harassment cases might be worth considering. However calculating financial consequences of harassment exhaustively would be virtually impossible. This is due to the fact that there may be substantial hidden costs in the form of loss of motivation and diminished productivity, and absences from work, resulting in situations of perceived harassment and of conflicts in the workplace, even where no procedure is requested by the person affected. The Commission therefore prefers to focus on preventive measures and awareness-raising in its anti-harassment policy and does

not plan to formally put in place in the imminent future a mechanism to quantify the possible financial consequences of harassment.

48. What were the costs in 2014 respectively for away days, closed conferences or similar events for staff? How many staff members participated in the respective events? Where did these events take place?

Commission's answer:

The Commission invests in team events of the kind referred to in the question with a view to improving performance. Team events are work focused and they are designed to have a direct and positive effect on team achievements in the longer term. They are generally not one-off events but part of an improvement process. This said, such events still provide valuable moments for staff to reflect together, for example to (re)formulate strategy and working methods, in order to work better in the future. We believe that helping people to work together as a team is an investment in our people. It improves staff sense of belonging and hence positively impacts their motivation levels and their productivity. This is particularly important in light of the recent staff opinion survey results.

Costs for such event must be kept as low as possible. Usually, team events are organised in the working place or close vicinity, depending on the availability of venues. The cost related to 2014 away days and similar events was of around €1.5m (an average of 125€ per participant), with around 12,000 participants. About 40% of these events took place in Commission premises and another 40% took place in hotels or conference venues in Brussels. Most of the remainder took place in other conference venues in Belgium and other sites of Commission services such as Grange or Ispra

49. How many of the official cars provided by the European Commission are used with a driver in Brussels, in Luxemburg, in the rest of the European Union and in third countries?
- a. What were the costs in 2014 for these official cars including the driver?

Commission's answer:

Brussels:

In 2014 the Commission provided an equivalent of 49 official cars used with a driver. They are designated for the College and for the internal pool.

- a. The costs in 2014 for these official cars including drivers (76 drivers) was about €5.8 million.

Luxembourg:

In 2014, the European Commission in Luxembourg (OIL) had 9 service cars with drivers in the internal pool. The yearly cost in 2014 for vehicles leased by OIL and 10 drivers was €758 396.

As regards the costs in 2014 for these official cars including the driver in third

countries, further information will be provided additionally.

- b. How many personally assigned drivers run private errands for their VIP or for the family of their VIP?

Commission's answer:

Please refer to articles 4.2 and 6.2 of Commission Communication C(2011)4904 which stipulate:

- "In principle, Members of the Commission may not ask drivers to make private journeys. However, drivers may be asked to meet the travel needs of Members of the Commission when their professional and private programmes overlap, so long as this does not create overtime for drivers or involve them in mission expenses (except where there are security grounds for doing so, i.e. in the event of a crisis or exceptional circumstances). Daily commuting between the Belgian residence of the Member of the Commission and the workplace (or the station or airport) is considered business travel".
- "Except in duly justified cases, exceptions and special cases, transport services cannot be provided for services for private use".

50. How many missions did Commissioners undertake in 2014? What were the total costs?

Commission's answer:

The Commissioners undertook 1,609 missions in 2014, with a total cost of 3,118,494 €

51. Under exceptional and duly justified circumstances for official or diplomatic purposes the Commission does cover the cost and expenses of third parties accompanying a Commissioner. When have such circumstances arisen in 2014? Who travelled on these missions apart from the Commissioner? What was the purpose of travel? What expenses were incurred on the individual journeys?

Commission's answer:

In 2014, the Commission covered the costs for third parties accompanying Commissioners in a total of 8 occasions for a total cost of less than EUR 14 000. In each of these occasions, the Commissioner was accompanied by a single additional person for an official event. These occasions are duly documented in the mission's management system of the Commission.

52. On 3 December 2015, the Council announced that it would draft a Regulation which would increase the number of areas requiring Irish translation, with the aim of ending the current derogation completely by 1 January 2022. This would mean that by 2022 the European institutions would be obliged to provide full translation and interpretation services for Irish as it does for the other 23 official languages.

- a. What are the current costs for interpretation and translations from and into Irish (please list separate figures for the Commission and the EP)?

Commission's answer:

Contexte:

Irish had ‘treaty language’ status from 1973 until 1 January 2007. That unique status meant that only treaties had to be translated into Irish, as well as responses to correspondence in Irish from citizens.

Irish became an EU official and working language on 1 January 2007. It was established that translation into Irish would be restricted to co-decision regulations. This ‘Irish derogation’ was made temporary and had to be reviewed every five years, following which the Council would decide to end or renew the derogation. The current derogation lasts until 31 December 2016.

Following a proposal from the Irish Republic, the Council adopted on 3 December 2015 Regulation 2015/2264 extending and phasing out the temporary derogation measures concerning the Irish language . The Regulation extends the derogation until end 2021, with a timetable to increase the number of legal acts to be translated in 2017, 2018, 2020 and 2021. The Regulation also deletes Article 3 of Regulation (EC) No 920/2005; it will no longer be necessary to review the operation of the derogation. In the absence of a Council Regulation stating otherwise, the derogation will cease to apply on 1 January 2022.

In July 2015, the Council asked the Commission to prepare a financial statement based on a first draft Regulation prepared by Ireland. The Commission examined the costs and related issues, consulting other EU institutions. EP Secretary General Klaus Welle replied to the Commission's query in September, providing full information on the implications for EP language services. VP Georgieva forwarded the financial statement to the Council on 29 October.

According to the financial statement, the cost of language services in Irish for the Commission and the EP in 2016 are:

€	Translation	Interpretation	Publication of OJ	EPSO competition for translators	Total
Commission	2,684,000	1,826,000	205,000	340,000	5,055,000
European Parliament	2,679,000	1,350,000			4,029,000

b. What are the expected costs for these services after the end of the derogation phase (please give estimates for the Commission only)?

Commission's answer:

After the end of the derogation in 2022, the Commission has estimated its costs related to language services in Irish to be:

€	Translation	Interpretation	Publication of OJ	Total
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Commission	11,500,000	1,856,000	873,000	14,229,000
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If all EU institutions are taken into account, the cost of services in the Irish language is estimated to be €12 million in 2016 and €37,020,000 in 2022.

Pensions

53. Could the Commission please inform Parliament if there are any rules regarding the deduction of any possible income of former EU officials from their pension payments after their retirement?

Commission's answer:

There are no such rules under the Pension Scheme for EU officials. Deductions from the pension of additional income will interfere with the principle of acquired rights which applies to the pension rights acquired under the EU Pension Scheme. The latter functions as a notional fund, i.e. the contributions of EU staff to the scheme in a given year serve to finance the future pensions of those contributing. In addition those pensions are taxed for the benefit of the Union.

54. How many persons received a pension in 2013 and in 2014? How much was spent to pay the pensions in 2013 and 2014?

Commission's answer:

Description	2013	2014	Evolution
Number of persons who received a pension (retirement, invalidity and survivors' pensions)	20,519	21,341	4.0 %
Spent to pay pensions	1,284,087,455	1,365,660,130	6.4 %

Please note that amounts above include family allowances and are gross of taxation and contribution to the healthcare scheme.

55. How long is a pension in average?

Commission's answer:

Observed data show an average duration of pension of 19.4 years. However in the context of the regular assessments of the actuarial balance of the pension scheme calculations are based on a prospective mortality developed by Eurostat and ISRP (International Service for Remuneration and Pensions of coordinated organisation), incorporating a trend of life expectancies over a 30 years' time horizon. By all means the 2013 reform of the EU Staff Regulations increased the normal pensionable age from 63 to 66 years. This mechanically reduces the expected length of pension, the other element being the life expectancy.

56. What is the average of the "real age" to go on pension in the Commission?

Commission's answer:

The actual average age observed for the retirement pension in the Commission 2014 has been 61,6 years.

57. What are the rules regarding the transitional allowances (Article 7, Regulation 422/67/EWG) and pension rights for former Commissioners who are working afterwards for a European Institution?

Commission's answer:

Entitlement to the transitional allowance ceases when former Members of the Commission are reappointed to office in an EU institution. As regards pensions, the entitlement starts only when former Members have ceased to hold office and reached their pensionable age. Please also note that former Members may not receive a transitional allowance and a pension at the same time.

58. Will the transitional allowance be charged against an EP mandate?

Commission's answer:

Under the rules that are currently in force (Council Regulation No 422/67/EC, 5/67/EURATOM of 25 July 1967, as amended), where a former Member is elected to the European Parliament, the transitional allowance is capped. The amount by which the new monthly gross remuneration together with the transitional allowance exceeds the remuneration which was received as a Member is deducted from the allowance.

At technical level the Council is currently in the process of reviewing the various regulations determining the emoluments of EU office holders. The new proposed Council regulation would cover all EU office holders listed in Article 243 of the treaty on the functioning of the European Union.

59. The new staff regulations entered into force on the 1st of January 2014. Could the Commission please inform us about how the 5% in staff cuts till 2018 will be implemented - in which DGs and what were the cuts?

Commission's answer:

The Commission has been implementing the 5% reduction of posts since the 2013 budget (application of a linear reduction by 1% every year). The enclosed table illustrates the repartition of reductions among Commission departments until 2016. The 5% objective (1.254 posts) will be completed in the 2017 budget. The table below shows the breakdown of the staff cut in the years 2013-2016 per DGs:

Commission & Offices	Staff cut 2013 - 2016
AGRI	-40
BUDG	-16
CLIMA	-4
CNECT	-32
COMM	-24
COMP	-32
DEVCO	-48
DGT	-96
DIGIT	-18
EAC	-20
ECFIN	-26
ECHO	-8
EMPL	-26
ENER	-20
ENV	-20
EPSO	-4
ESTAT	-26
FISMA	-3
FPI	-4
GROW	-34
HOME	-12
HR	-25
IAS	-5
JRC	-78
JUST	-16
MARE	-12
MARKT	-15
MOVE	-16
NEAR	-15
OIB	-16
OIL	-6
OLAF	-15
OP	-28
PMO	-7
REGIO	-24
RTD	-54
SANTE	-30
SCIC	-32
SG	-21
SJ	-16
TAXUD	-20
TRADE	-24
Total	-988

60. What was the amount of the highest pension paid to officials of the Commission in 2014? What was the average pension paid in 2014? What is the average pension paid to officials who retired in 2014?

Commission's answer:

- Highest pension paid in 2014 EUR 9,774
- Average pension paid in 2014 EUR 4,400
- Average pension paid to staff retired in 2014 EUR 4,526

Please note that pension rights are acquired mainly depending on the date of the entry into service, the length of the service and the corresponding pension contributions paid by staff. There is no distinction among officials, temporary

staff and contract staff.

Gender balance

61. Could you provide us the number staff working for the Commission by DG, by nationality and by gender?

Commission's answer:

Please refer to the reply to answer 30.

62. Could you provide us the number of Heads of Unit, Director and Director-General by nationality and gender?

Commission's answer:

The data requested is detailed in the table below:

As of 31/12/2014										
Nationality	Director-General or equivalent			Director or equivalent			Head of Unit			Total
	F	M	Total	F	M	Total	F	M	Total	
Austrian	0	3	3	1	7	8	12	23	35	46
Belgian	0	4	4	3	13	16	28	9	137	157
British	2	7	9	6	18	24	13	59	72	105
Bulgarian	1	0	1	2	2	4	11	7	18	23
Croatian	0	0	0	0	0	0	3	1	4	4
Cypriot	0	1	1	3	0	3	3	3	6	10
Czech	0	1	1	1	0	1	3	16	19	21
Danish	0	2	2	5	2	7	6	22	28	37
Dutch	0	5	5	1	9	10	11	41	52	67
Estonian	0	1	1	3	1	4	2	3	5	10
Finnish	0	2	2	1	1	2	11	8	19	23
French	1	6	7	7	27	34	46	96	142	183
German	1	9	10	12	22	34	27	0	127	171
Greek	1	2	3	3	8	11	6	34	40	54
Hungarian	0	2	2	0	7	7	5	10	15	24
Irish	1	0	1	4	7	11	6	22	28	40
Italian	0	5	5	7	18	25	36	80	116	146
Latvian	0	1	1	1	2	3	11	3	14	18
Lithuanian	0	1	1	3	1	4	2	5	7	12
Luxembourgish	1	0	1	1	3	4	0	5	5	10
Maltese	0	1	1	1	0	1	3	6	9	11
Polish	0	1	1	5	7	12	11	22	33	46
Portuguese	0	2	2	2	8	10	24	19	43	55
Romanian	0	1	1	2	4	6	15	17	32	39

Slovak	0	1	1	1	1	2	2	8	10	13
Slovenian	0	1	1	2	1	3	5	4	9	13
Spanish	1	5	6	8	17	25	33	49	82	113
Swedish	0	1	1	3	0	3	13	6	19	23
	6			18			34	77		
	9	5	74	88	6	274	8	8	1126	1474

63. How many recruitments of Heads of Unit, Director and Director' General were organised in 2014? How many women and men were selected as Heads of Unit, Director and Director-General?

Commission's answer:

Appointments made during 2014			
	F	M	Total
Director-General or equivalent	1	8	9
Director	9	25	34
Head of Unit	43	68	111
	53	101	154

EU Tobacco Agreements

64. The Commission promised an assessment of the tobacco agreements in 2015 but has not yet provided the Parliament with this evaluation? When will the Commission present this report and come forward with concrete proposal for the tobacco agreements that come to an end this year? Can the Commission provide data of the impact and benefits of the Tobacco agreements for 2014?

Commission's answer:

The Commission is currently working towards finalising the assessment of the anti-fraud agreement with Philip Morris International ("PMI Agreement") as soon as possible. Over the past months, the Commission has been in contact with Member States, as Co-Parties, in this respect.

The assessment primarily focuses on the PMI Agreement (the only agreement which will expire in 2016), but the main findings will broadly apply also to the other three anti-fraud cooperation agreements, with BAT, JTI and ITL respectively.

Based on this assessment of the experiences made over the past decade (including 2014), the Commission is currently evaluating whether or not to seek a prolongation of the PMI Agreement. No decision in this regard has yet been taken. The assessment will be shared with the Parliament as soon as it is finalised.

65. Administration of the tobacco agreements: Why did OLAF never undertake any analyses of the figures given in the framework of the tobacco agreements?

Commission's answer:

OLAF performs analyses in the area of the illicit tobacco trade, be it for investigative or policy purposes. Such analyses draw on a variety of sources, including information derived from the tobacco anti-fraud agreements. OLAF has in recent years also intensified its efforts, in close cooperation with national customs authorities, on a more solid statistical base for its work. Notably, OLAF has recently automated part of the seizure management system under the agreements, which facilitates the analysis of the data.

66. Slow tracking and tracing progress: Why this slow progress from one year to another was never questioned by OLAF? Still more than 40 countries are missing and the slow progress from one year to another was not even raised? Why?

Commission's answer:

The obligations of the tobacco companies with respect to tracking and tracing are set out for each company in the applicable anti-fraud agreement. The Commission has no evidence that the companies have generally not complied with their respective obligations.

In line with their reporting obligations, the companies provide an annual report describing their compliance with the requirements of the tracking and tracing system. The matter is discussed at the annual meetings organised by the Commission with the Member States and each of the four tobacco manufacturers.

67. OLAF has the possibility under the tobacco agreement to request any information that could help to combat cigarette smuggling and counterfeiting. How many requests did OLAF send to the "Big Four" in 2014? What was the purpose of each of the requests? What kind of information or documents did these requests encompass?

Commission's answer:

The tobacco agreements provide for several information sources and these are regularly being used:

- Under the four anti-fraud agreements, the tobacco companies have provided OLAF and the Member States with more than 7500 replies to notifications of seizures. Where genuine products are at stake, the replies usually contain a range of relevant information.
- The companies regularly provide national and OLAF investigators with information of direct investigative interest. This information has regularly led to seizures by Member States' enforcement authorities, and in many cases to arrests and criminal indictments. Transnational criminal organisations were dismantled and potential losses to Member States' and the EU budget of many million euros were prevented.
- The tobacco companies also provided assistance to dismantle illegal cigarette production facilities in some EU Member States and neighbouring countries.

In light of these and other available sources, OLAF had to make use of the formal

tools to request information from the tobacco manufacturers only in relation to one investigation in 2014.

68. There is an unequal reporting by the "Big Four" on the implementation of the tobacco agreements: It was left to the companies on how to interpret the agreements. Why the reporting was never streamlined?

Commission's answer:

The four agreements have been negotiated at different times and, being the result of separate negotiating processes, are broadly comparable but not identical. This applies also in relation to respective reporting obligations. When the Commission considers that reporting practices could be further improved, it raises the issue with the companies.

Revolving doors

69. How many former Commissioners and former members of the Commissioner's cabinets work for the EU institutions? What were/are their tasks and their respective salary/grade? How many former Commissioners work outside the EU institutions? Did they respect the cooling-off period? Did they present their demand to the Ethical committee? What were the Ethical committee's replies? Would you publish all Ethical Committee's advises?

Commission's answer:

Twenty-one former Members of the Barroso II Commission notified post-mandate occupations outside the EU Institutions. They all respected their notification obligation contained in section 1.2 of the Code of Conduct for Commissioners, after a reminder as concerns one former Commissioner for two activities with NGOs/think tanks. The Commission consulted the Ad hoc Ethical Committee when the notified occupation presented a link with the former Commissioner's portfolio. The Ad hoc Ethical Committee delivered its opinions on the compatibility of the envisaged activity with art 245.2 of the TFEU. The Commission adopted the relevant decisions on the basis of the Committee's opinions, in particular taking account of the conditions and/or restrictions proposed by the Committee. The Commission will not publish the Ad hoc Ethical Committee's opinions in view of the personal data therein contained. However, a partially blanked access to these opinions is granted upon request under Regulation 1049/2001 on public access to documents. Transparency on the Commissions decisions is ensured through a dedicate webpage available under the following link:

http://ec.europa.eu/transparency/ethics-for-commissioners/decisions_en.htm

OLAF

70. With reference to the Commission's answer to the parliamentary questions E-008639/15 and E-008639/15, the Commission informed us that *"In 2014 and 2015, the Commission received one request to waive the immunity of Commission staff from Belgian Courts. The treatment of this request is ongoing."*

- a. Could you please inform the Parliament about the progress of this request and the latest developments?
- b. Are there any further requests, and what are the latest developments in the treatment of these requests?

Commission's answer:

In 2014 and 2015, the Commission received two requests from Belgian Courts to waive the immunity of Commission staff.

The Commission cannot comment further on such requests for waiver of immunity from national judicial authorities, as they are by definition subject to strict obligation of professional secrecy.

Sanctions could even be imposed in accordance with the Penal Codes in some Member States.

71. According to recent press reports, OLAF is currently undertaking an investigation against Volkswagen for possible misappropriation of EIB funding. Allegedly, this concerns an EIB loan of EUR 4.6 billion EUR since 1990.

- a. What is the legal base for this enquiry as EIB funds are not part of the EU budget?

Commission's answer:

The concept of the financial interests of the European Union, as detailed in Art. 2 of Regulation 883/2013, is broader than just the EU budget, covering all budgets which are managed by EU institutions, bodies, offices and agencies. It therefore includes funds managed by the EIB, which is an EU body according to the TEU.

- b. Are EU funds concerned? Which ones? What amounts?

Commission's answer:

In order to protect the confidentiality of OLAF's investigation, as well as to ensure respect for personal data and procedural rights, OLAF cannot answer these questions.

- c. Is there any statutory limitation in place for recoveries?

Commission's answer:

At this early stage of its investigation, OLAF cannot answer this question.

72. The relationship of the Supervisory Committee and OLAF has deteriorated during 2014 and in the last year. What measures and practical arrangement will the

Commission put forward in order to make OLAF and its SC work properly and avoid a heavy and complex revision of the present recent legal framework?

Commission's answer:

OLAF and the Supervisory Committee have continued to work together properly in 2014 and 2015, and in line with the jointly agreed Working Arrangements. OLAF has transmitted to the Supervisory Committee all the information foreseen by the Regulation 883/2013 and replied to all SC requests, notably giving the Committee full access to 129 case files in 2014 and 2015. Based on this information, the Supervisory Committee has produced several Opinions and Reports (six in 2014, two in 2015) to which OLAF has replied.

The Commission has also taken a number of initiatives to ensure that there is an appropriate framework for the two bodies to work together. In particular, and in order to avoid any possible appearance of potential interference, the administrative responsibility for the implementation of the budgetary appropriations of the Supervisory Committee Members has been moved from OLAF to the Commission. The Commission will subsequently revise its internal rules in order to delegate this responsibility to the Director of its Payments Office (PMO). Furthermore, within the existing legal framework, the OLAF Director-General has delegated as far as possible the powers of Appointing Authority and Authorising Officer to the Head of the Supervisory Committee Secretariat, as acknowledged by the Committee itself in Opinion 01/2015 on OLAF's Preliminary Draft Budget for 2016. The Commission is currently reflecting on further initiatives to put an end to any possible appearance of a potential interference of OLAF in the duties of the Supervisory Committee.

Vice-President Georgieva is committed to support OLAF and the SC in the renewal of their Working Arrangements. She has engaged in discussions with the two bodies and had a meeting with the Director-General of OLAF and the Supervisory Committee Chairman on the matter in November 2015. The Vice-President has invited the Parliament and Council to involve their respective legal services in the discussions.

73. Is the Commission considering extracting OLAF from the Commission's structure as an independent institution in order to ensure enhanced independence?

Commission's answer:

OLAF is an independent inter institutional investigative body, as stipulated in Regulation 883/2013.

Article 17 (3) of Regulation 883/2013 establishes that the "Director General of OLAF shall neither seek nor take instructions from any government or any institution, body, office or agency in the performance of his duties with regard to the opening and carrying-out of external and internal investigations or reports following such investigations. If the Director General considers that a measure taken by the Commission calls his independence into question, he shall immediately inform the Supervisory Committee, and shall decide whether to bring an action against the Commission before the Court of Justice."

[Empty box]

Humanitarian aid for Sahrawi refugees in the Tindouf camps:

74. Could the Commission please inform Parliament about any developments or undertaken/ planned audits in this case?

Commission's answer:

The Commission has increased the monitoring of EU funded projects in the Tindouf camps with a total of 24 monitoring missions carried out in 2015, and up to 2 weeks /month spent by Commission humanitarian staff in the camps. At the moment in time, no audits are planned.

The Commission continues to call for burden sharing with EU MS with regards to humanitarian aid provision to the Tindouf camps. The Commission is participating actively to sector coordination meetings in Algiers and Tindouf on Health, WASH, Food assistance and Security to ensure the most efficient use of EU funding.

75. Were the humanitarian aid products imported to the Sahrawi refugee camps in Tindouf subject to customs duty in Algeria? If yes, what was the amount the Commission had to pay in the case of a) Tindouf refugee camps in 2014 and b) for all humanitarian aid products delivered worldwide in 2014?

Commission's answer:

There is no customs duty on humanitarian imports in the case of Algeria. The Commission does not specifically monitor worldwide payment of custom duties by humanitarian partners.

European schools

76. European Schools

In her annual activity report the Director-General for Human Resources and Security (DG HR) maintained the reservation issued in 2013 on reputational grounds following Court of Auditors' findings in the context of the report on the annual accounts of the European Schools related to the continuing accounting and control weaknesses and to the identification of irregularities linked to potential fraud in relation to one European School.

- a. Which are the facts at the origin of the reservation?

Commission's answer:

The Commission, as a major contributor to the ES budget, is keen to ensure that the required guarantees are given on the sound financial management and on the regularity and legality of the Schools' operations.

In view of the Court of Auditors and IAS reports and the irregularities detected in the accounts of one of the Schools linked to potential fraud, DG HR made a reputational reservation, on the ES financial management, in its 2013 and 2014

AARs (Note: the 70% of DG HR's budget is earmarked as a contribution to the European Schools, inter alia around 0.1% of the COM budget).

The Court of Auditors highlighted important accounting and control weaknesses in the ES financial management. The Court could not offer any guarantees that the consolidated accounts of the Schools are free of material misstatement. IAS highlights control weaknesses that heighten the risk of misuse of the ES funds.

In this context, the Commission applied its limited powers as regards financial management in the schools and voted against the discharge for the implementation of the 2012 and 2013 ES budget.

- b. How long did the alleged fraud take place and what is the amount at stake?

Commission's answer:

A forensic investigation was requested in 2013 in relation to fraudulent payments that were detected in 2012. Altered payments have been allegedly found from 2006 to 2012 for a total amount of EUR 2.9 million.

- c. Is this affair sub judice?

Commission's answer:

On 5 July 2012, the European School BRUSSELS I filed a complaint against Mr D. and against X for breach of trust, forgery and falsification of documents with an Investigating Judge. Proceedings are ongoing.

- d. Which are the improvements to be done in the governance of the European schools in accordance with the observations of the ECA : role of the Director of the School of the Secretary general of the European Schools , the Board of Governors.

Commission's answer:

The COM has identified a need to further centralise financial management and control systems in the European Schools. The COM has thus proposed, within the ES working group the following:

1. Financial Governance Clarifying Responsibilities and Accountability

Making financial governance more clear and coherent in terms of the responsibilities and accountability of all actors in the Schools' System. Empowering One Delegated Authorising Officer (AO), the Secretary General (Sec Gen) of the Schools, to be responsible for the overall financial management and control systems in the School system.

The Schools Directors as Sub-Delegated Authorising Officers would operate under a common control framework adhering to the systems and policies, defined by the Sec Gen, making foreseen adjustments to deal with their specificities and/or operational context when necessary.

The model proposed is based on the one in place at the Commission, a single entity, the College takes on the Authorising Officer powers and this entity delegates authorising powers to the DGs. The Sec Gen would present a single AAR, as an overall discharge report to the Board of Governors, for the DAS of the

whole ES system.

2. Resourcing issues: Functions & Responsibilities

The centralisation of financial governance has clear advantages in terms of resource implications. The COMM has proposed:

- To develop the 'financial controller' function into an 'Internal Controller' function to ensure notably that it covers ex-post controls, risk assessment, and an anti-fraud strategy.
- That the 'Accounting Officer' be centralised and independent of the AO using the 'Deputy SG' position. The Schools would in turn appoint an accounting correspondent for each School which would imply fewer resources than having an Accounting Officer in every School.

3. Regulatory Changes

The COMM proposal would require changes in the Financial Regulation of the schools. The centralisation of financial management and internal control in the schools would only affect some aspects of the schools' autonomy. The Directors would remain fully responsible for the administration of his/her School and the management of the staff and all the teaching and education matters.

A formal response from the Schools is pending.

- e. What does the Commission intent to do in order to address the recommendations made by the Court of auditors in its report of 11 November 2015 on the annual accounts of the European Schools for the financial year 2014 (point 46) as regards accounting, staff, procurement procedures, control standards and payments.

Commission's answer:

Work has focused on the following areas:

Improvements to Accounting and Payments:

- Implementation (since the 1 January 2015) of accruals based accounting
- Secondment of a COM middle manager to work in the Central Office on financial management and accounts.
- Support and advice for the newly nominated Internal Control Coordinator who took up duties in April 2015.
- Requested and obtained a 2nd revision to the FR to further reinforce the governance and accountancy and accountability structures(ongoing)
- Access to Commission-based training, material and expertise in financial management, procurement and internal control.
- Support to begin external audit campaign (3-4 schools to be audited each year).
- Automated links between the accounting software and the online banking system began to be implemented. A payment procedure of double signature for bank transfers is now applied.
- Advice on new rules to ensure the Segregation of Duties (adopted in 12/2015).

Addressing Staffing and Procurement Issues:

- Participation in a working group established to develop a policy to effectively manage sensitive posts.
- A memorandum on the recruitment of Administrative and Ancillary Staff was developed by the Secretary General.
- Review of the contracts used the Schools to help ensure that local law and the statute are respected.
- Support for the establishment of a qualified procurement cell in the ES SG Central Office,
- Offer to associate link the ES to the Commission's procurement procedures, to alleviate the associated administrative burden and the potential risks for the Schools.

Assistance to Update and Implement Internal Control Standards

- Register of exceptions is now in place
- Risk management approach was developed
- A Proposal for a revised set of Control Standards is pending approval
- Guidance for producing Planning and Reporting (AAR) systems.

General remark: The COM ensures that its voice is heard in the Schools' supervisory system. It contributes actively to a Working Group set-up to monitor progress made in implementing audit recommendations of the CoA and the IAS.

CO2 Offsetting

77. How much the Commission spent in 2014 for the CO2 emission? And how much would have been needed to have a fully offset financing covering all direct and indirect emissions?

Commission's answer:

The European Commission does not compensate its CO2 emissions but seeks real reductions in emissions via existing policies, including EMAS. For example, since 2005 in Brussels the Commission increased energy efficiency by 65%, and made better use of natural resources (by using 59% less water, 58% less paper and generating 28% less waste), while reducing CO2 emissions by 88%. This resulted in cumulative energy savings of 74 Million EUR. The Commission cannot evaluate the cost of full compensation because it does not evaluate the indirect carbon emissions of its activity.

European elections

78. What has been the cost of the campaign for the European elections in the Commission's budget including indirect costs? Please provide a detailed overview of the election campaign related spending?

Commission's answer:

In relation to the European Parliament elections in 2014, the activities of the

Commission were as follows:

In the 2013 and 2014 budget, DG COMM had no specific budget line dedicated to the European elections 2014. At Headquarters, the Commission's only specific operational expenditure was for one of several banners for the Berlaymont building produced in 2014; this particular banner cost €13,428 (fixed price from the framework contract at this time).

A video was produced in-house by the audio-visual service <https://www.youtube.com/watch?v=U3gvH0lAbTs>.

In Representations, from within normal activities and existing resources, over 1,300 events were organised, reaching out to more than 3.3 million participants in all 28 Member States.

It is also important to point out that the Commission organised 25 Citizens' Dialogues between September 1, 2013 and March 31, 2014. Although these events were not specifically dedicated to the promotion of the European elections in May 2014, the Commissioners who participated used the opportunity to call upon participants to use their right to vote for the European Parliament.

A budget of €1 million was allocated for local actions by the network of Europe Direct Information Centres (EDICs) in the Member States for the promotion of the European Parliament elections. As a result of a call for proposals launched in 2013, EDIC activities on the European elections took place in 2014 in 23 Member States for a total amount of €761,000. The remaining budget was used for providing the EDICs with materials (leaflet, posters, etc) and a training seminar dedicated to the use of social media, including in the context of the EP elections.

Finally, as agreed with the European Parliament, the Commission equipped the interinstitutional group of runners in the 20km of Brussels with special running shirts carrying the logo of EP campaign as well as the Europe Direct logo. This cost €25,740. So the overall total amount is €1,048,168.

Reorganisation of the IAS

79. Reorganisation of the Commission internal audit services

The Internal Audit Service was created as a part of Administrative Reform in the Commission in the late nineties.

It became an independent Service on the 4th of July 2001.

The Internal Audit Capabilities (IACs) and the Audit Progress Committee of the European Commission (APC) were created at the same time.

The Prodi /Kinnock Commission decided to put an end to the centralised system of a priori authorisation and to set up an internal audit architecture based on the one side on an independent Internal Audit Service (under the authority of the Commission President) and on another side on internal audit capabilities created in each DGs.

The purpose was to ensure the independency of those capacities - which were nevertheless put under the authority of each Director General - via a specific relationship with the Internal audit Service.

This architecture has been maintained from 2001 to 2015 despite the criticism or concerns voiced by certain MEPS to the lack of real independence of the internal audit capabilities vis-à-vis the Directors General. On 5 November 2014, the Juncker Commission decided to centralise the Commission's internal audit.

This decision has never been presented to nor discussed with the European Parliament.

- a. Why did the Commission come back to a purely centralised system?
How many servants are working in the IAS?

Commission's answer:

It should be underlined that the mission and role of the Internal Audit Service even in the fully centralised model is not that of the DG Financial Control that was abolished in the context of the White Paper Reform (Action 88). The IAS does not give an ex-ante visa and no comparison can be drawn to the situation that existed before the White Paper reform.

By contrast, the IAS's Mission Charter (C(2015) 2451 final) defines the IAS' role fully in line with the Financial Regulation, its Rules of Application and the applicable international standards on internal auditing (in particular the definition of internal auditing) as follows:

"The mission of the Internal Audit Service is to provide to the Commission independent, objective assurance and consulting services designed to add value and improve the operations of the Commission. [...]

They are intended to add value and improve the Commission's or a Directorate-General's governance, risk management and control processes without the internal auditor assuming management responsibility."

The reasons why the internal audit function was centralised have already been provided to the Honourable Members in the replies to the additional questions to Commissioners Cretu and Moedas (questions 37 and 19, respectively).

As a result of the assessment of the additional staffing needs in IAS for the centralisation of the internal audit function (see answer to question 79b.), the IAS was allocated 59 additional posts with the Commission Decision on Staff Allocation 2015 (SEC(2014)615). On 1/1/2015 (date of effect of the centralised internal audit function), IAS had 159 establishment plan posts and 12 external personnel, thus a total of 171.

These were allocated as follows:

- Audit in the Commission: 106 posts and 5 external personnel
- Audit in the decentralised agencies and other autonomous bodies: 30 posts and 3 external personnel
- Quality Assurance, communication, administrative coordination, HR and budget: 19 posts and 2 external personnel
- DG team: 3 posts
- APC Secretariat: 1 post and 2 external personnel

It should be noted that these figures evolved in 2015 (minus five posts due to staff cuts [1], redeployment tax [2], cut of a surcharge post [1] and redeployment in the

context of the migration crisis [1]) and 2016 (five posts due to staff cuts [2] and redeployment tax [3]).

- b. Was the reorganisation preceded by any formal assessment? Is there any document in this regard?

Commission's answer:

The reorganisation was preceded by an internal assessment with regard to two aspects:

Firstly, the IAS assessed the potential implications of a fully centralised internal audit function to its business model. This has led to a revision of IAS' Mission Charter (C(2015) 2451 final), which, in particular, added the obligation for the IAS to provide the Directors-General with a "Conclusion of the Internal Auditor on the state of internal control in the DG" (for the first time in February 2016 covering the year 2015) to feed into their Annual Activity Reports (AARs), i.e. the same type of assurance report as IACs used to provide. In preparing its annual audit plans, the IAS ensures that there is sufficient coverage of audit entities that will enable it to deliver this opinion every year to all DGs/Services. In addition, the IAS carried out a detailed assessment of all open recommendations issued by the IACs and took over the vast majority. Both measures ensured that any gap that could exist between the previous and the now fully centralised model would be adequately filled.

Secondly, the IAS assessed its staffing needs in the context of a fully centralised model and based on the assumption that the IAS would need to cover all areas that are considered to be exposed to significant risks for the individual DGs and therefore providing assurance in those areas that matter most. The results of this staffing needs assessment fed into the Commission Decision on Staff Allocation (SEC(2014) 615 final).

Thirdly, the IAS assessed the need to change its organisation chart given the increased competences and staff. This led to a net addition of one Directorate and three audit units. Amongst the units created was a central Quality Assurance unit to ensure that all IAS work is carried out on the basis of a harmonised methodology and adheres to the highest quality standards. The new organisation chart was part of the Decision of the Commission to centralise the internal audit function (SEC(2014)587).

- c. Who has now to scrutinise the DGs activities and in particular the way the Directors general draft their annual activity report and make the DAS?

Commission's answer:

As mentioned in the answer provided to sub-question 79 a., it should be underlined that the role of the IAS even in the fully centralised model is not that of the DG Financial Control that was abolished in the context of the White Paper Reform.

With regard to 'scrutiny' over DGs' Annual Activity Reports (AARs), the IAS has carried out an audit of Annual Activity Report process (rf. to section 2.1 of the Commission Staff Working Document SWD(2013) 314 final) and, more recently, a number of limited reviews with regard to the way DGs calculate their residual

error rates (rf., for example, to section 4.5 of the Commission Staff Working Document SWD(2015) 170 final for the engagement carried out in DG REGIO). These engagements have brought about important improvements to the AAR process and the way DGs report on residual error rates in their AAR. The IAS will continue with such engagements in the future.

In addition, the IAS will provide the Directors-General with a "Conclusion of the Internal Auditor on the state of internal control in the DG" to feed into the Annual Activity Reports (AARs), i.e. the same type of assurance report as IACs used to provide (for the first time in February 2016 covering the year 2015).

These audit activities of the IAS are different in nature from the so-called 'peer reviews' of the draft AARs which are carried out by the Secretariat General and DG BUDG in the process of establishing AARs each year, the purpose of which is to review the draft AARs to ensure completeness, quality and coherence.

The IAS takes part in this 'peer review' exercise only insofar as to ensure that the AARs adequately reflect the IAS' audit work of the reporting year and, in particular the "Conclusion of the Internal Auditor on the state of internal control" mentioned above.

- d. What is the role of the Members of the Commission in the audit progress committee bearing in mind that the IAS is independent?

Commission's answer:

The mandate of the Audit Progress Committee (APC) and thereby the role of the Members of the APC was defined in the Commission White Paper on Reforming the Commission (Action 71 of Volume II of COM(2000) 200 final). This is translated into the Mission Charter of the APC (latest version C(2015) 3014 final). This Mission Charter defines the role as follows:

"The APC assists the College of Commissioners in fulfilling its obligations under the Treaties and under other statutory instruments by ensuring the independence of the Internal Audit Service (IAS), monitoring the quality of internal audit work, and by ensuring that audit recommendations are properly taken into account by Commission DGs and Services; and that they receive appropriate follow-up. In this way the APC contributes to the overall further improvement of the Commission's effectiveness and efficiency in achieving its goals and facilitates the College's oversight of the Commission's governance, risk management, and internal control practices.

The APC ensures that the College is appropriately informed on a timely basis on any issues arising from its work.

The Committee is an oversight body and has no management powers."

The role therefore encompasses the task of ensuring the independence of the Internal Audit Service (IAS). The APC thereby acts as a safeguard to guarantee that the rules on the independence of Internal Auditor as defined in the Financial Regulation and its Rules of Application (in particular Art. 100 of the Financial Regulation and Art. 116 and 118 of the Rules of Application) are effectively applied if there was ever a threat to it.

- e. Is there any ongoing activity of the IAS concerning the ITER project?

Commission's answer:

Yes, IAS is auditing the ITER project in three ways:

1. Given that ITER is subject to supervision by the Commission (DG ENER), the activities of the Commission services form part of IAS' audit universe as does any other Commission activity. The IAS has launched an audit on the supervision of ITER by the responsible Commission services (DG RTD until 30/6/2015 and subsequently DG ENER as of 1/7/2015) and will conclude in the first half of 2016. This audit will be duly reported on to the Discharge Authority in the context of the Annual Report to the Discharge Authority on internal audits carried out for the year 2016.

In addition, the IAS carries out permanent audit tasks in relation to ITER as follows:

2. The IAS is represented on the Financial Audit Board (FAB) of ITER Organization (IO). The role of the FAB is to audit the financial statements of the ITER IO. The FAB reports to the Chair of the ITER Council. This work is based on a service-level agreement which IAS had concluded with DG RTD and which was taken over by DG ENER in July 2015 as a consequence of becoming the responsible service for ITER within the Commission.

3. By virtue of Art. 82 (2) of the Framework Financial Regulation (Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013) the internal audit function of the Fusion for Energy (F4E) Joint Undertaking is performed by the Internal Auditor of the European Commission. F4E is one of the Domestic Agencies for IO and one of the bodies set up under the TFEU and the Euratom Treaty and falls under Art. 208 of the Financial Regulation. In this context IAS reports to the Governing Board and the Director of F4E in line with Art. 82 (6) of the Framework Financial Regulation.

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