This rolling check-list presents an overview of the European Court of Auditors’ (ECA) special reports, concentrating on those relevant for the 2017 discharge procedure. It strives to link the research topics of the special reports to relevant debates and positions within the European Parliament, including the working documents of the Committee on Budgetary Control, the work of the specialised parliamentary committees, plenary resolutions and individual questions by Members.
Introduction

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This check-list has been prepared by the Ex-post Evaluation Unit of the European Parliamentary Research Service (EPRS), the EP’s in-house research service and think-tank, as part of its on-going support for parliamentary committees and individual Members in scrutinising the executive in its implementation of EU law, policies and programmes. The check-list is available online, to allow access to all the underlying documents via hyperlinks.

The ECA’s special reports present the results of its ‘performance audits’. Unlike the more traditional financial and compliance audits, which merely look into the legality and regularity of expenditure, performance audits give an appreciation of whether the policy objectives have actually been met and/or if the efforts provided value for money. The performance audits cover a range of subjects. These go further than just expenditure or own-resources-related questions. The ECA selects and designs the audit topics to be of maximum impact, by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

The special reports form an integral part of the discharge procedure. They can also serve as a useful tool for policy-makers, pointing at issues in implementation and enforcement of EU policies and programmes, but also at good practices and lessons learned.

The check-list seeks to assist Members, both in their work on scrutinising how the EU general budget is spent, and in their role of co-legislator. The document is updated on an annual basis to include the most recent special reports.

The European Parliament is strongly committed to the concept of Better Law-Making, and particularly to the effective use of ex-ante impact assessment and ex-post evaluation throughout the entire legislative cycle. It is in this spirit that the Parliament has a particular interest in following the transposition, implementation and enforcement of EU law, and more generally, monitoring the impact, operation, effectiveness and delivery of policy and programmes in practice.

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Head of the Ex-post Evaluation Unit
Directorate for Impact Assessment and European Added Value
European Parliament Research Service (EPRS)

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Ex ante conditionalities and performance reserve in Cohesion: innovative but not yet effective instruments

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Questions asked:
Were the ex-ante conditionalities (EACs) and the performance framework and reserve used effectively to incentivise better Cohesion spending by Member States during the 2014-2020 programme period?

The audit covered the period from December 2013 to February 2017; in addition, it took into account the Commission’s information on the ex-ante conditionalities’ fulfilment reported by the Member States in their annual implementation reports and progress reports by 30 June and 31 August 2017 respectively as at mid-September 2017. The analysis dealt with 14 ERDF and ESF Operational Programmes (OPs) examined in five Member States (Spain, Ireland, Croatia, Poland and Romania) and 2 OPs in Denmark. It focused on the thematic objectives 1 “Strengthening research, technological development and innovation” (TO1) and 8 “Promoting sustainable and quality employment and supporting labour mobility” (TO8), since they account for the highest level of the financial allocation for the ERDF (TO1) and ESF (TO8) shared by all Member States. This audit complements Special Report 2/2017 dealing with the Commission’s negotiation of partnership agreements and programmes.

Findings:
1. Overall, ex-ante conditionalities provided a consistent framework for assessing Member States’ readiness to implement EU funds at the start of the 2014-2020 programme period
2. It is unclear to what extent ex-ante conditionalities have effectively led to changes on the ground
a) 380 of the 761 action plans adopted by Member States to fulfil all ex-ante conditionalities progressed slowly and were not reported as completed by the end of 2016
b) The criteria provided in the Common Provisions Regulation (CPR) to assess ex-ante conditionalities’ fulfilment are very often generic and thus leave considerable room for interpretation. The audit found several inconsistent assessments by the European Commission
c) The ex-ante conditionalities capture only the specific situation at the time of adoption of the OPs or at the latest by December 2016, while a follow-up on their status after 2016 is not required. This makes it difficult for the Commission to assess whether they have actually made a difference on the ground.

3. The performance framework and reserve is unlikely to trigger a significant reallocation of Cohesion spending during the 2014-2020 period to better performing programmes

a) The performance reserve is mostly based on spending and outputs, thus providing little incentive for a better result orientation of the OPs
b) The milestones specified in the OPs performance framework do not need to be fully achieved by 2018 in order to have the performance reserve nor the additional funding definitively allocated
c) Performance review can only result in a reallocation within and/or between the programmes of the same Member State
d) The newly introduced payment suspensions and financial corrections for underperformance are subject to restrictive conditions and therefore unlikely to be applied in practice
e) In around 46% of the cases the audit doubted that the milestones and/or targets specified for releasing the performance reserve were realistic and achievable.

Recommendations:

1. Further develop ex-ante conditionalities as an instrument to assess Member States’ readiness to implement EU funds, and in particular:

a) re-assess the relevance and usefulness of each of the ex-ante conditionalities for 2014-2020, eliminate overlaps and keep only those which can genuinely impact the effective achievement of policy objectives;
b) ensure consistency of the ex-ante conditionalities for the post-2020 period with the European Semester;
c) set clear assessment criteria with measurable targets wherever feasible to ensure a common understanding of what needs to be achieved;
d) require the fulfilment and application of ex-ante conditionalities throughout the programming period and follow it up taking into account the potential administrative burden.
2. Consider turning the performance reserve for the post-2020 period into a more result-oriented instrument that allocates funds to those programmes that achieved good results, and in particular consider whether it should propose to:
   a) based on lessons learned further develop the performance reserve into an instrument better promoting and rewarding good performance where OPs need to demonstrate what they intend to achieve with the additional funding;
   b) make more use of immediate result indicators; and turn the key implementation steps into tools which better demonstrate actual performance of long term infrastructure interventions when assessing performance;
   c) review the conditions for payment suspensions and financial corrections so that underperformance can be more easily addressed, at an earlier stage, with a view to further increasing the incentives to properly implement the funds.

CONT Committee Working Document; Rapporteur

**CONT Working Document of 28/02/2018** on ECA Special Report 15/2017 (Discharge 2017): Ex-ante conditionalities and performance reserve in Cohesion: innovative but not yet effective instruments

Rapporteur: Georgi Pirinski (S&D)

[Recommendations by the rapporteur,]

2. Invites, in particular, the Commission to consider whether maintaining ex-ante conditionalities for the post-2020 period would materially improve efficiency and effectiveness of the Cohesion policy;
3. Recalls that ex-ante conditionalities for the period 2014-2020 were introduced with the aim to facilitate the ESIF implementation by ensuring that the necessary prerequisites for the effective and efficient use of Union support are in place;
4. Draws attention, however, that the Court questioned whether the introduction of the ex-ante conditionalities had effectively led to changes on the ground despite, in the Court’s opinion, having provided a framework for assessing the Member States’ readiness to implement Cohesion policy;
5. Underlines, in case ex-ante conditionalities are maintained in the next programming period, that they have to be appropriate for the national/regional context, incentive oriented and conducive to smooth implementation of regional development objectives, as well as excluding overlaps and room for ambiguity and differing interpretations;
6. Notes that around 75% of all applicable ex-ante conditionalities were fulfilled at the time of adoption of ESIF programmes, that 86% were fulfilled at the beginning of 2017 and that 98% - at the beginning of 2018, demonstrating that the fulfilment of ex-ante conditionalities was longer than the period envisaged in the CPR 1303/2013 and that by the deadline December 2016 around 15% ex-ante conditionalities remained unfulfilled;
7. Acknowledges that ex-ante conditionalities have represented an additional administrative burden and that, as recognised by the Commission, have been one of the possible reasons for the registered delays in implementation of the ESIF 2014-2020; acknowledges, as
Well, that although there have been no cases of suspension of payments to programmes by the Commission for non-fulfilment of ex-ante conditionalities by end 2016, managing authorities concerned refrained from submitting payment claims, thus imposing a kind of self-suspension and delaying implementation with the result that the absorption at the end of the fourth year of the current period (2017) was significantly lower than the absorption rate on the corresponding date (end 2010) of the previous period 2007-2013 (17% and 41% respectively), thus further putting into question the added value of ex-ante conditionalities as an instrument introduced with the aim to facilitate Cohesion policy implementation;

8. Underlines, as regards the time until the end of the current programming period, that it is crucial for the Commission to provide the necessary assistance to Member States in order to fulfil remaining ex-ante conditionalities, as well as to implement in practice the respective provisions in particular with regard to public procurement and state aid;

11. Observes, in this regard, that as stipulated in Annex II, CPR, milestones for intermediate targets on implementation of results indicators were envisaged for application in the performance framework only “where appropriate”, in contrast to the mandatory inclusion of milestones regarding implementation of output indicators closely linked to the supported policy interventions;

12. Is of the opinion that the time having been set for 2019 for undertaking the review of performance of the programmes for each Member States has resulted in preventing countries and regions that have achieved their milestones from accessing the funds allocated to them before the last year of the period, having been blocked in the performance reserve; calls, therefore, for providing the possibility for an earlier performance review and access to such funds at an earlier date;

13. Calls on the Commission, in case the performance reserve is continued in the post-2020 period, to base its proposal on the lessons drawn from the 2014-2020 period, and to propose the corresponding revision of the performance framework in order to create real incentives for a results orientated system; such a system should also provide the necessary balance between simplification for unhindered project implementation and the necessary provisions for sound financial management and control;

14. Recalls that Cohesion policy is primarily about support and solidarity, thus enabling and incentive instruments being more appropriate than disciplinary and sanctioning innovations.

**Related EP Reports / Resolutions of other committees**

- **European Parliament resolution of 13 June 2018 on cohesion policy and the circular economy (2017/2211(INI))**
  - [The European Parliament, ]
  
  14. Highlights the existence and importance of the ex-ante conditionalities on ESI Funds related to, in particular, the objective of preserving and protecting the environment and promoting resource efficiency; points especially to the one on ‘promoting economically and environmentally sustainable investments in the waste sector'; regrets, however, the negligence of waste hierarchy and lack of sound environmental assessment of long-term outcomes of investments under the ESI Funds;
50. Calls on the Commission, in the context of the new legislative proposals for the future cohesion policy framework, to develop appropriate ex-ante conditionalities related to the achievement of a circular economy; considers that circular economy strategies should be developed in partnership with the national, regional and local authorities and economic and social partners.

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**European Parliament resolution of 11 May 2016 on acceleration of implementation of cohesion policy (2016/2550(RSP))**

[The European Parliament, ]

3. Notes, looking back to the 2007-2013 programming period, that the major obstacles and problems that hampered cohesion policy implementation in several Member States and regions were insufficient information for potential beneficiaries, which led to a lack of eligible projects, slow and lengthy approval of major projects combined with a lack of administrative structures to manage investment for major projects, complex and time-consuming procurement procedures, complex state aid rules, complicated permitting procedures, unsolved property relations, the excessive length of the authorisation procedure and difficult access to financing; [...] ; calls on the Commission, for the 2014-2020 programming period, to provide, on the one hand, information on the obstacles that Member States are facing in implementing cohesion policy and, on the other, an assessment of the impact of carrying out the ex-ante conditionalities exercise on the effective implementation of the policy;

14. Points to the importance of Member States fulfilling the actions on ex-ante conditionalities by the end of 2016 in order to ensure the smooth implementation of programmes and avoid possible suspension of interim payments; urges the Commission to issue comprehensive guidelines on public procurement and on preventive measures to avoid errors and irregularities in procurement, and to publish standard procurement procedures for beneficiaries in order to avoid financial corrections and the possible cancellation of EU contributions.

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**European Parliament resolution of 13 June 2017 on building blocks for a post-2020 EU cohesion policy (2016/2326(INI))**

[The European Parliament, ]

12. Recognises the value of ex-ante conditionalities, in particular the one on Research and Innovation Strategies for smart specialisation (RIS3), which continue to support the strategic programming of the ESI Funds and have led to increased performance orientation; notes that ex-ante conditionalities enable the ESIF to support the Europe post-2020 objectives effectively without prejudice to the cohesion policy objectives, as stipulated in the Treaty;

22. Invites the Commission to reflect on the development of an additional set of indicators that complement the GDP indicator, which remains the main legitimate and reliable method for allocating ESI Funds fairly; believes that the Social Progress Index or a demographic indicator should be
evaluated and considered in this context in order to provide a comprehensive picture of regional development; considers that such indicators could better respond to the new types of inequalities between EU regions that are arising; stresses, furthermore, the relevance of outcome indicators to strengthen the result and performance orientation of the policy;

39. Calls for the swift allocation of the performance reserve; notes that the time between performance and the release of the reserve is too long, thereby reducing the effectiveness of the reserve; urges the Commission to allow Member States to operationalise the use of the performance reserve as soon as the review has been finalised.

European Parliament resolution of 27 April 2017 with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III – Commission and executive agencies (2016/2151(DEC))

[The European Parliament,]

12. Calls on the Commission to make greater use of the opportunities regarding the performance reserve within the existing legal framework, in order to create a genuine financial stimulus to effectively improve financial management; requests furthermore a reinforcement of the performance reserve as an instrument, by increasing the performance-dependent component in the following legislative framework;

160. Is concerned that, in particular towards the end of a programming period, Member States focused on absorption funds available under national envelopes rather than on achievement of policy objectives; calls on the Commission to help the worst performing member states through technical assistance, especially at the end of the financial period;

309. Regrets that, as of 30 June 2016, not all Member States had transposed the directives on public procurement and urges the Commission to continue to assist Member States to increase their capacity to transpose those directives, as well as to implement all their action plans on ex ante conditionalities, which is an essential pre-requisite for prevention of fraudulent and non-fraudulent irregularities; stresses the importance of implementing the action plan on public procurement for European structural and investment funds in 2014-2020 with a view to simplifying, speeding up and harmonising electronic public procurement procedures.

European Parliament resolution of 13 September 2016 on Cohesion Policy and Research and Innovation Strategies for Smart Specialisation (RIS3) (2015/2278(INI))
1. Underlines that smart specialisation strategies support thematic concentration and strategic programming of the European Structural and Investment Funds (ESI Funds) and lead to increased performance orientation on the ground, thus contributing to the achievement of the Europe 2020 objectives; emphasises that the aim of these strategies is to create knowledge-based, sustainable growth, balanced development and high quality jobs in all regions, not only in well-developed areas but also in regions in transition as well as in less developed, rural and island regions;

2. Requests that the new ex ante conditionality provisions for the attribution of ESI Funds be fully respected in order to make smart specialisation strategies work;

46. Notes that, although most regions have adopted a RIS3, a considerable number of them still need to work on complying with the ex ante conditionality requirements, the main challenges being the monitoring mechanism, the budgetary framework and the measures to stimulate private-sector research and innovation investments.

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European Parliament resolution of 16 February 2017 on investing in jobs and growth – maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR (2016/2148(INI))

20. Underlines that effective monitoring of ex ante conditionalities is necessary to record efforts and achievements; considers that ex ante conditionalities, in particular the one on Research and Innovation Strategies for Smart Specialisation (RIS3), have proved their usefulness, and suggests that they be further improved; points out that more attention should be paid to the strengthening of micro, small and medium-sized enterprises;

21. Draws attention to the fact that a significant proportion of ex ante conditionalities have not yet been fulfilled; calls, therefore, for an analysis of the current situation and the adoption of targeted action to counteract this, while not compromising the optimal takeup of the funds or making cohesion policy less efficient;

22. Emphasises that the regulatory framework for the period 2014-2020 and the Partnership Agreements have led to a strongly results-oriented focus in cohesion programmes, and that this approach can be exemplary for other parts of EU budget expenditure as well; welcomes the introduction of common indicators which would allow measuring and benchmarking results; considers that work on indicators has to continue in order to improve evidence on ESI Funds spending and optimise project selection;
23. Points out that an important innovation has been the introduction of thematic concentration, whereby investments are focused on specific objectives and priorities corresponding to performance indicators and targets specifically agreed for all the themes;

24. Recalls that a performance reserve was introduced for each Member State, consisting of 6% of the resources allocated to the ESI Funds; recalls that, on the basis of the national reports of 2017 and the performance review of 2019, the reserve is to be allocated only to those programmes and priorities which have achieved their milestones; calls for flexibility in the launch of new commitments from the performance reserve when the programmes have attained their targets and milestones in the coming years; asks the Commission to assess whether the performance reserve actually creates added value or whether it has led to more red tape;

37. Notes that Member States have different administrative cultures and levels of performance in their policy framework, which the ex-ante conditionalities should help to overcome; [...];

56. Is convinced that the future performance-oriented cohesion policy must be founded on data and indicators that are appropriate for measuring efforts, outcomes and impacts achieved, as well as experience at regional and local level in the area (performance-based budgeting, ex ante conditionalities and thematic concentration), as this provides clear practical guidelines for local and regional authorities – including those which have not so far attempted to apply this approach – on the implementation of its principles;

57. Underlines that faster take-up of the available funds and a more balanced progression of expenditure during the programming cycle will be needed in future, also in order to avoid frequently turning to ‘retrospective projects’, which are often aimed at avoiding automatic decommitment at the end of the programming period; takes the view that after adoption of the general regulation and the fund-specific regulations, implementation of the OPs in the next funding period as from 2021 will be able to start more quickly, as Member States will already have experience with a performance-oriented policy after the efforts made for cohesion policy in the period 2014-2020; points out in this regard that Member States should avoid delays in appointing managing authorities for the OPs.

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European Parliament resolution of 28 October 2015 on cohesion policy and the review of the Europe 2020 strategy [2014/2246(INI)]

[The European Parliament, ]

10. Acknowledges that establishing a performance framework and introducing ex ante conditionalities and linkages with country-specific recommendations (CSRs) in the cohesion policy programming 2014-2020 could provide a better investment environment for maximising the cohesion policy contribution to achieving Europe 2020 strategy headline targets.

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European Parliament resolution of 29 April 2015 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth and tenth European Development Funds for the financial year 2013 (2014/2077(DEC))

[The European Parliament, ]

10. Take notes of the results of the sampling with regard to projects whereby 42 among 130 payments (32 %) were affected by error, and in particular the fact that 30 payments out of this 42 were qualified as quantifiable errors, with 17 final transactions authorised after all ex ante checks had been performed;

14. Is deeply concerned that ex ante checks carried out before the project payments transactions are executed still present significant weaknesses according to the Court’s evaluation;

15. Calls on the Commission to pay regular attention to the quality and adequacy of the ex ante controls performed by all the actors (Commission staff and external auditors) before projects payments are made and especially given the high political and operational risk environment;

34. Considering the aim of budget support, with contributions directly transferred to a recipient countries’ general budget or to a budget devoted to a specific general policy or objective, insists that the budget support respects and strictly links the general eligibility conditions with substantial progress achieved by partner countries, in particular in public finance management; would welcome the development of binding key performance indicators (KPI) in an attempt at risk reduction;

40. Emphasises the importance of ensuring an appropriate incentive-based policy dialogue, a continuous monitoring of sector reforms and programmes measuring the performance and the sustainability of the results via the Commission’s financial management systems for the implementation of budget support in partner countries;

57. Welcomes the EIB’s result-oriented approach, notably with the introduction of a Result Measurement Framework which allows for the assessment of the soundness of projects, their financial and economic sustainability and the EIB’s own added value; asks that a permanent dialogue on the measurement indicators and on the convergence of results achieved with the associated partners be ensured;

69. Calls for regular reporting to Parliament on the use of these financial instruments and results to allow Parliament to have the power of scrutiny and consent, namely on the assessment of the financial and non-financial leveraging and additionality.
One of the new features in the 2014-2020 programming is that the implementation of programmes financed by ESI Funds has to be assessed in terms of its effectiveness in reaching predetermined intermediate targets (or ‘milestones’).

As provided for in Article 20 of Regulation (EU) No 1303/2013, each Member State has a performance reserve equal to 6% of the resources allocated under the ESI Funds.

The Commission has to carry out a performance review and must definitively allocate the performance reserve to priorities which have met their targets.

If programmes have fallen short of their milestones, the Member State concerned will propose that the reserve be reallocated to priorities for which the targets have been reached. [...] 

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**Greater focus on results in cohesion policy**, E-003648/2017, Question for written answer to the Commission, Rule 130, Hannu Takkula (ALDE), 31-05-2017

One of the innovations introduced in cohesion policy in recent years has been that, if the ineffective and inadequate management of Member States’ macroeconomic and financial policies weakens the impact of EU funding on countries’ economic growth and employment, the Commission may ask Member States to review their programmes or suspend funding.

1. What view does the Commission take of how successfully the objective of increasing Member States’ focus on results has been pursued in order to establish clearer, measurable goals to improve States’ accountability?

2. The Commission has estimated the economic impact of cohesion policy in the period 2014-2020 to be around EUR 450 billion. However, it has been observed that nothing is yet known about the effectiveness of the measures for this period. When will the Commission be able to confirm the effectiveness of the various cohesion policy measures?
Special report 19/2017 of 5 December 2017

Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU

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<td>Special report No 19/2017: Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU</td>
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<td>Summary</td>
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<td>Short summary of questions asked, findings and recommendations</td>
<td>Questions asked:</td>
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<td>Do the EU’s customs controls protect its financial interests?</td>
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<td>Have the Commission and the Member States designed robust import procedures that protect those interests?</td>
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<td>The audit focused on the customs authorities of five Member States: Spain, Italy, Poland, Romania and the United Kingdom. The selection of Member States was based on three risk criteria: (i) the size of its Traditional Own Resources (TOR) contribution to the EU Budget; (ii) the incidence of undervaluation in the Member State; and (iii) the proportion of audit-based controls in the total of post-release controls. The audited period runs from 2007 until 2017.</td>
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<td>Findings:</td>
<td>1. The EU customs legal framework is lacking in some ways and customs controls on imports are ineffectively implemented; this adversely affects the financial interests of the EU</td>
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<td>a) The current system does not prioritize the importance of custom duties as a source of the financing of the EU budget</td>
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<td>b) Financing of Member States customs infrastructure under the Hercule action programme is not always linked to the protection of the EU’s financial interests</td>
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c) The EU has made progress towards the uniform application of customs legislation, but there are still no EU-wide valuation decisions

2. Member States (MSs) are not sufficiently financially encouraged to perform customs controls
   a) MSs which perform customs controls but are not successful in recovering losses to the revenue of the EU risk financial consequences, whereas those which do not carry out such controls may not suffer such consequences
   b) Underfinancing of trans-European IT systems may delay the Union Customs Code (UCC) implementation

3. MSs have made progress towards the uniform application of customs legislation, but disparities still exist which can lead to underpayment of customs duties
   a) The EU’s tools and programmes for exchanging customs information and increasing cooperation have not reached their full potential
   b) MSs have differing approaches in terms of customs controls to tackle undervaluation, misdescription of origin and misclassification and to impose customs penalties
   c) Burdensome customs controls can have an impact on the traders’ choice of customs office of importation and (air)ports with fewer customs controls may attract more traffic

4. A number of loopholes still exist in the MSs with regard to the control of imports
   a) Member States do not carry out pre-arrival controls to protect the EU’s financial interests
   b) Member States do not always carry out the controls suggested by their risk management systems
   c) The level of post-release controls does not compensate for the decrease in release controls on simplified procedures
   d) Post-release controls rarely cover imports in other Member States
   e) The lack of checks on customs relief for low value consignments is leading to underpayment of customs duties.

Recommendations:
1. The Commission should:
   a) in order to be able to meet the European Parliament’s request, develop a methodology and produce periodic estimates of the customs gap from 2019 and take into account its results for the allocation of resources and for setting operational targets;
b) consider all available options to strengthen support for national customs services in their important EU role in the new Multiannual Financial Framework, including a review of the appropriate rate of collection costs;  

c) in the next Multiannual Financial Framework propose that the next EU action programmes, which support the Customs union, should be used to contribute to financial sustainability to the customs European Information Systems;  

d) be more precise in the requests contained in a Mutual Assistance communication to ensure their uniform implementation by Member States;  

e) propose amendments to customs legislation in 2018 aimed at making compulsory the indication of the consignor in the customs import declaration.

2. The Member States should:  

a) make overrides of controls suggested by a particular risk filter conditional on prior or immediate hierarchical approval;  

b) introduce checks in their electronic release systems to block import declarations applying for duty relief on goods with declared value above 150 euros or for commercial consignments declared as gifts;  

c) set-up investigation plans to tackle abuse of this relief on e-commerce goods trade with non-EU countries.  

d)

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<td>Rapporteur: Nedzhmi Ali (ALDE)</td>
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<td>[Recommandations by the rapporteur,</td>
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<td>The Commission should:</td>
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<td>2. Deliver information on the gap in customs duty collection identified in the Commission’s Traditional Own Resources (TOR) inspections and complete analysis based on that data;</td>
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<td>3. Provide information about the amounts of customs claimed from the Member States and collected in favour of the EU budget;</td>
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<td>4. Prepare an analysis on actions required by the Member States in the Mutual Assistance communications, as well as the status of achievement of the main goal of having equivalent results;</td>
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<td>5. Provide assessment of the quantitative results of implementing of the EU programmes “Customs 2020” and “Hercule III”, responsible for financing the exchange of information and cooperation among customs in the protection of Union’s financial interests during the current MFF;</td>
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6. Analyse the level of abuse of the low-value consignment reliefs on e-commerce trade of goods with non-EU countries.

**Related EP Reports / Resolutions of other committees**


[The European Parliament,]

7. Expresses concern at the ongoing differences between Member States regarding the reporting process, which can give rise to a mistaken perception of the effectiveness of the controls; calls on the Commission to continue its efforts to help Member States step up the level and quality of inspections and share best practices in combating fraud;

16. Notes the results of the 12 joint customs operations carried out by OLAF and Member States in cooperation with various services of third countries and the WCO, which have notably resulted in the seizure of 11 million cigarettes, 287 000 cigars, 250 tonnes of other tobacco products, 8 tonnes of cannabis and 400 kg of cocaine;

17. Notes that customs checks carried out at the time of clearance of goods and inspections by anti-fraud services were the most successful methods of detecting fraud on the revenue side of the EU budget;

18. Expresses its concern with regard to customs inspections and the related collection of customs duties, which are an own resource for the EU budget; recalls that it is the responsibility of the customs authorities of the Member States to carry out checks to determine whether importers are complying with the rules on tariffs and imports;

19. Deplores the disparities in the customs checks carried out within the EU and the large amounts involved in fraud affecting the own resource collection system; calls on the Commission to strengthen the common policy on customs checks by providing for genuine harmonisation with a view to improving the collection of traditional own resources and to ensure the EU’s security and economic interests, focusing in particular on efforts to combat trade in illicit and counterfeit products;

20. Deplores the fact that between 2013 and 2016 imports of clothing and footwear from China were undervalued upon their entry to several European countries, particularly the United Kingdom;

23. Considers that the Commission should provide annual data on the difference between expected VAT and customs receipts and those actually collected.

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European Parliament resolution of 30 May 2018 on the implementation of control measures for establishing the conformity of fisheries products with access criteria to the EU market (2017/2129(INI))

[The European Parliament,]

3. Is concerned that imports of such products are subject to fewer controls, the primary controls being sanitary standards and the Illegal, Unreported and Unregulated Fishing (IUU) Regulation(10), the latter having been designed solely to ensure that the product was caught in compliance with the applicable rules;

9. Calls on the Commission to provide more training, technical assistance and facilities for institutional capacity building to help developing countries comply with EU rules; encourages initiatives such as the Better Training for Safer Food programme, run by the Directorate-General for Health and Food Safety (DG SANTE), which provides training sessions for official control staff from developing countries on EU standards for fishery and aquaculture products;

27. Expresses alarm at the weaknesses and loopholes in customs controls described in ECA Special Report No 19/2017 and urges the Commission and Member States to implement the recommendations contained therein as rapidly as possible;

35. Considers that the three regulations comprising the control regime constitute a balanced package and have led to significant improvements in fisheries management in the EU;

43. Agrees that certain provisions of the control regime regulations are open to interpretation and have hindered uniform implementation, but considers that with sufficient openness and political will, the Commission and the Member States could intensify their efforts to ensure a more harmonised implementation of existing legislation, such as through the use of guidelines and interpretations;

51. Insists that the revised control regime must include, among its basic principles:

- EU-wide standards and norms concerning inspections at sea, in port and all along the custody chain;
- full traceability of fish as it moves along the custody chain, from the vessel to the final point of sale;
- complete data on catches by all operators, including vessels under 10 metres and recreational fishers;
- common levels of sanctions in all Member States;
- a common definition of what constitutes an infraction;
– a point system applied by all Member States in an equivalent manner;
– sanctions that are sufficiently dissuasive, effective and proportionate;
– a system accessible to the Commission and all Member States for the exchange of all information concerning infractions observed and legal and judicial follow-up;
– full adoption of improvements in available technologies and the ability to adopt future technologies as they evolve without the need for a legislative amendment;
– unambiguous establishment of Commission and Member State responsibilities and, where applicable, regions within the Member States;
– no regionalisation of the Control Regulation.

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**European Parliament resolution of 14 March 2018 on reform of the European Union’s system of own resources (2017/2053(INI))**

(The European Parliament, )

30. Deplores the fact that OLAF has repeatedly found severe cases of customs fraud in Member States leading to a significant loss of income for the Union budget; draws attention to the Special Report 19/2017 of the European Court of Auditors entitled ‘Import procedures: shortcomings in the legal framework and an ineffective implementation impact the financial interests of the EU’, and is concerned that fraudsters could continue to find the ‘weakest link’ among Member States as their point of entry into the customs union, and that losses to the Union budget could continue even during the next MFF; calls on the Commission and the Member States to take the necessary measures to stop these activities that are damaging to the Union budget;

31. Recalls the legislative proposal of 2011 on a new VAT resource, which would have resulted in the application of a fixed EU-wide rate based on the net value of supplies of goods and services or on imports of goods to which a standard, common rate of VAT would have applied; notes that although this proposal did not go through, the European Council of February 2013 encouraged the Council to continue working on this dossier; believes that the current context offers a window of opportunity allowing for a possible breakthrough in this matter;

33. Takes note of the Commission’s Action Plan on VAT (‘Towards a Single EU VAT area – Time to decide’) published on 7 April 2016 (COM(2016)0148), and of the subsequent proposal of 4 October 2017 for a series of fundamental principles and key reforms for the EU’s VAT area; supports an in-depth
reform of the VAT system in the EU, which should aim at broadening the tax base, reducing the scope for fraud and compliance costs, and generating new revenue; considers that a fraction of such new revenue should be allocated to the EU budget;

34. Considers that a simplified VAT resource should be built on the common denominator of VAT systems across the EU, and notes that consequently it would not eliminate all national specificities which are justified for a variety of reasons.

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European Parliament resolution of 12 December 2017 on “Towards a digital trade strategy” (2017/2065(INI))

[The European Parliament, ]

5. Stresses that access to secure broadband internet connectivity and digital payment methods, effective consumer protection, in particular redress mechanisms for online cross-border sales, and predictable customs procedures, are essential elements in relation to enabling digital trade, sustainable development and inclusive growth;

23. Notes that the protection of intellectual property (IP) rights and investments in R&D are a precondition on the EU’s knowledge-based economy, and that international cooperation is key to combating the trade in counterfeited goods throughout the entire value chain; encourages the Commission, therefore, to push for the worldwide implementation of international standards such as the WTO TRIPS Agreement and the WIPO Internet Treaties; recalls that legal protection throughout the EU, both online and offline, is needed for new creations since it will encourage investment and lead to further innovations; stresses, however, that trade agreements are not the place to extend the level of IP-protection for rights holders by providing for more extensive copyright enforcement powers; stresses that access to medicines in third countries should not be challenged on the basis of IP protection; stresses that trade in counterfeited goods requires a distinctly different approach to IP infringements in the digital economy;

33. Considers that particular consideration should be given to the increasing number of consumers and individuals who are selling and buying items on the internet and are caught up in burdensome customs procedures for goods purchased online; recalls the need to put in place simplified, tax- and duty-free customs treatment of items sold online and returns unused; recalls that the WTO’s Trade Facilitation Agreement aims to speed up customs procedures and improve their accountability and transparency; stresses the need to digitise customs information and management via online registration and operation of information, which should facilitate clearance at the border, cooperation in fraud detection, anti-corruption efforts and transparency of prices relating to customs; believes that the broader use of tools such as online dispute settlements would be beneficial for consumers.

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9. Notes that it is essential for the Member States to adopt a coordinated tax policy and to improve the speed and frequency of their exchange information concerning intra-Community trade in order to combat tax evasion and tax avoidance more effectively and finally close the existing ‘VAT gap’;

10. Encourages the Commission and government agencies to explore and test new technologies, such as distributed ledger technology and real time supervision, as part of a RegTech agenda with a view to significantly reducing the existing and substantial ‘VAT gap’ in the Union;

19. Notes that Customs Procedure 42, which provides for VAT exemption on goods imported into one Member State when they will subsequently be shipped to another Member State, has shown to be vulnerable to fraudulent abuse; notes that effective cross checks of the data held by tax authorities with data held by customs authorities are crucial to detect and eliminate this type of fraud; calls therefore on Member States and on the Commission to act in order to facilitate the flow of information between tax and customs authorities regarding imports under Customs Procedure 42, as recommended by the European Court of Auditors;

64. Points out that the Member States’ VAT gaps, and the estimated losses on VAT collection within the Union, amounted to an estimated EUR 170 billion in 2015, and underlines the fact that in 13 of the 26 Member States examined in 2014 the average estimated VAT loss exceeded 15,2 %; calls on the Commission to make full use of its executive powers in order to both control and help the Member States; points out that effective action to reduce the VAT gap requires a concerted and multidisciplinary approach, as this gap is the result not only of fraud but of a combination of factors, including bankruptcy and insolvency, statistical errors, late payment, tax evasion and tax avoidance; reiterates its call on the Commission swiftly to promote legislation on the minimum level of protection for whistle-blowers in the EU in order to better investigate and deter fraud, and to establish financial support for cross-border investigative journalism, which clearly proved its effectiveness in the ‘LuxLeaks’, ‘Dieselgate’ and ‘Panama Papers’ scandals;

71. Calls on the Commission to make proposals enabling effective cross-checks of data from customs and tax authorities, and to focus its monitoring of the Member States on measures indicative of improvements to the timeliness of their replies to information requests and of the reliability of the VAT Information Exchange System (VIES);

72. Asks the Commission to encourage those Member States that have not already done so to implement a two-tier VAT identification number (with a number allocated to traders wishing to take part in intra-Community trade that is different from the domestic VAT identification number) and to conduct the checks laid down in Article 22 of Regulation (EU) No 904/2010, while providing free advice to traders;
73. Calls on the Commission to ensure that the Member States’ electronic customs clearance systems are capable of, and carry out, automatic checking of VAT identification numbers;

74. Urges the Commission to propose an amendment to the VAT Directive with a view to achieving further harmonisation of Member States’ VAT reporting requirements for intra-EU supplies of goods and services.

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**European Parliament resolution of 16 May 2017 on the evaluation of external aspects of the customs performance and management as a tool to facilitate trade and fight illicit trade (2016/2075(INI))**

[The European Parliament, ]

1. [...] calls on the Commission, in this regard, to develop benchmark analysis and information on customs operations and enforcement procedures in the Member States;

2. Highlights that there is no system in place for identifying and monitoring differences in how customs authorities treat economic operators; calls on the Commission to require Member States to provide specific information on the type and number of customs checks at individual core port level;

3. Invites the Commission to continue cooperation with the Member States and relevant trade stakeholders to address existing gaps in the control systems, develop further customs simplifications and reduce administrative burdens for legitimate traders focussing on the objective of simpler, safer trade, while ensuring at the same time appropriate, effective, efficient and harmonised controls at EU borders and the necessary support to relevant authorities; points out that effective customs controls must guarantee for the EU security, consumer safety, respect of environmental requirements and health regulations and of economic interests, with a particular effort regarding intellectual property rights protection and the fight against illicit trade, terrorism, money laundering, wildlife trafficking, tax evasion, drug and tobacco trafficking and falsified medicines, as well as combating all forms of unfair competition that European firms which comply with EU standards may face;

4. Emphasises the importance of completing the work of harmonising controls at all points of entry into the Customs Union, in particular on the basis of existing instruments;

5. Calls on the Commission to pursue greater collaboration with the private sector in identifying fraudulent operators; stresses the importance of involving private stakeholders in the fight against illegal trade, including in wildlife and wildlife products;

6. Recalls that the opportunity provided by the UCC and its rules on interconnected IT systems and electronic exchanges should be used to access data on reliable and legal trade and make it available through channels other than customs declarations, for example through international mutual
exchange programmes such as the AEO (Authorised Economic Operator) programme or the Smart and Secure Trade Lanes (SSTL) project, with the aim of facilitating exchanges;

10. Invites the Commission to present a communication on ‘Best practices for custom controls and the enforcement of trade rules’, in the interim period, in order to provide a framework of reference for the competent control bodies in the Member States, highlight best practices and results, establish a set of key performance indicators, and analyse trade flows in counterfeit goods at border points;

13. Urges the Commission to investigate the different practices for customs controls in the EU and their impact on trade diversion, focusing in particular on EU customs at external borders;

14. Notes that today divergent customs procedures, in particular regarding customs clearance, inspections, sanctions and controls, are resulting in fragmentation, additional administrative burdens, delays, variations in tax collection among Member States, market distortion and negative environmental impact; stresses that these divergent customs procedures may often favour access to some ports to the detriment of others with illegitimate operators importing counterfeit or undervalued goods, resulting in goods being delivered to their final destination via an unusual route and clearance being sought in a Member State other than the one importing the goods, either to reduce the likelihood of being subject to controls or to complicate any potential recovery procedure; asks the Commission, therefore, to analyse this ‘forum shopping’ problem and to assess its impact on trade, tax revenues, climate effects and customs duties;

17. Requests the Commission to work closely with the Member States, the OECD and the World Customs Organisation (WCO) in reducing the existing gaps in the customs control systems by ensuring that illicit trade, counterfeiting and fraud are tackled using more systematically coordinated risk-based controls based on harmonised criteria for inspections, best practices and common procedures and working methods, in terms of both operating hours, economic and human resources and interoperable IT systems, with timely and appropriate support being provided by other competent authorities; recalls, in this regard, the importance of ensuring powers of inquiry for all EU customs and border agencies, and of guaranteeing appropriate training for their operators;

19. Calls on the Commission to ensure that the progressive implementation of the UCC brings additional value to economic operators, establishing a level playing field throughout the Union, while at the same time ensuring that increased simplification of customs procedures does not create gaps in the customs risk management and control systems that could hinder the effective fight against illicit trade; regards it as essential that EU customs law should be harmonised, and calls on the Commission and the Member States to carry out regular monitoring of EU rules and their uniform application by the competent authorities, facilitating international trade as well as curbing illegal transnational activities;

20. Urges the Commission to work further with the Member States on sharing best practices on customs procedures and VAT, cooperating with different competent authorities and, where appropriate, aligning policies as regards customs and VAT, with a view to ensuring synergies, including in finding and applying legal and practical solutions to challenges and opportunities relating to small consignments, e-commerce and simplification;
21. Calls on the Commission, in light of Article 23 of the WTO Trade Facilitation Agreement calling for a Trade Facilitation Body, to consider transferring responsibilities of customs authorities from the national to the EU level as regards ensuring harmonised treatment along the EU points of entry, monitoring the performance and activities of customs administrations, and collecting and processing customs data;

23. Urges the Commission and the Member States to do more to develop and support joint training opportunities for customs agents in the Member States; emphasises that the harmonisation of training for customs agents in Europe will contribute to the effective implementation of the Union Customs Code;

25. Recalls that certain fraudulent firms based in third countries are using e-commerce to offer counterfeit goods to European consumers, and that some goods may be billed under the minimum price level to avoid being checked by authorities or may be entering taking advantages of differences in invoicing arrangements, customs rules and penalties; asks the Commission to further investigate these problems and to reflect on how best to address risk related to e-commerce and to work closely with all concerned actors, including transport and courier companies, in order to support Member States in curbing this practice without creating barriers to the growth of e-commerce or hindering legitimate trade;

30. Invites the Commission to strengthen cooperation with the European Union Intellectual Property Office (EUIPO) and, in particular, the European Observatory on Infringements of Intellectual Property Rights, in order to support initiatives on IPR enforcement such as facilitation procedures for rightholders through electronic exchange of data, which would also benefit SMEs, and to make the fight against counterfeiting and fraud one of its priorities in the WTO, involving the OECD and the WCO in its work on the matter; therefore stresses that the current Regulation on Customs Enforcement of Intellectual Property Rights plays an important role in the fight against counterfeiting (trademark infringements), piracy (copyright infringements) and smuggling of sensitive products, as well as in the areas of geographical indications, marking of origin and illegal trade; believes it vital that the above Regulation, along with the directive on the enforcement of intellectual property rights, is duly implemented throughout the Union and that necessary enforcement by customs authorities is conducted in a way that does not prevent legitimate traders from operating in good faith;

32. Notes that customs services are facing new kinds of challenges, related both to new ways of trading and to the security and protection of goods under import procedures or in international transit with a destination in Europe;

33. Notes that the efficiency of customs procedures is crucial not only for trade facilitation, but also for effective and expedient law enforcement with regard to the counterfeiting and smuggling of excisable goods entering the EU; [...];

34. Is of the opinion that the quality and performance of customs controls on the transit of goods, particularly for shipment and transport operations at ports and borders, is of the first importance and must be improved; regrets that there is currently a factual gap in terms of type of controls within the Union that favours some access routes, in particular ports, to the detriment of others, where the checks carried out are more stringent; considers...
it necessary to ensure that there are homogeneous and standardised control techniques among Member States for filtering at ports and borders, by promoting modern, technologically advanced and risk management-based control strategies;

35. Considers that Member States should concentrate customs controls, and, to the extent possible, other relevant border controls, on high-risk consignments that are selected on a random basis using common selectivity criteria, including those relating to the nature and description of the goods, country of origin, country from which the goods were shipped, value of the goods, regulatory compliance record of traders, and means of transport;

38. Stresses European Anti-Fraud Office’s (OLAF) role in investigating the evasion of import duties (including conventional, anti-dumping and countervailing duties) on all types of commodities and goods, especially where involving false declarations of origin (in both preferential and non-preferential regimes) and undervaluation and wrong description of goods; calls on OLAF to play a more active role in the coordination of related investigations by national customs services of EU Member States and other partners both inside and outside the EU;

39. Points out that regular Joint Customs Operations play a vital role in safeguarding EU public finances, by identifying where the risks lie on specific trade routes and protecting the citizens and legitimate businesses by preventing illegal products from entering the EU; calls on OLAF to step up its support for the customs authorities of EU Member States as well as some third countries in carrying out more joint customs operations, by means of its technical infrastructure, IT and communications tools, strategic analysis and administrative and financial support, in order to improve the effectiveness of customs services in conducting targeted checks at European level.

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European Parliament resolution of 19 January 2017 on tackling the challenges of the Union Customs Code implementation (2016/3024(RSP))

(The European Parliament, )

1. Calls on the Commission and the Member States to come up with a clear, coherent and ambitious strategy and timeline to ensure that any elements that are necessary for the enforcement of the EU customs systems are covered by appropriate proposals that are aligned with and fit for purpose for the current evolution of global trade and the implementation of the EU trade policy agenda;

2. Suggests, in particular, stepping up efforts to create more uniform electronic customs requirements and risk-assessment programmes at EU level within the time imparted by the UCC, in order to ensure that the arrival, transit and exit of goods are registered in the EU as effectively as possible – while not compromising security – by interconnecting Member States’ systems to form a coherent electronic system based on the same data model and common movement systems; believes that the Commission should take a proactive approach in this respect, in particular through a co-financing
arrangement to ensure the development of interoperable IT systems and to guarantee interoperability with other IT systems for health and animal health certificates;

3. Calls on the Commission and the Member States to cooperate closely with economic operators at every stage of development of the UCC implementation, as well as in the process of amending the UCC delegated acts, and supports the regular consultation process with the Trade Contact Group to this end;

5. Reminds the Commission of its commitment to creating a genuine Digital Single Market, of which the facilitation of trade from e-commerce should be a key component; stresses that every economic operator should respect standards on customs processes in order to avoid loopholes in customs procedures, and acknowledges that existing simplified customs procedures should not be taken away from economic operators if they are compatible with safety, security and intellectual property rules, for example in the case of the express delivery operators of low-value shipments, who with the UCC provisions will be subject to standard customs processes that could constitute red tape and hamper growth in e-commerce;

7. Suggests that the Commission clarify that a customs debt through non-compliance can also be extinguished in cases where it may be established by appropriate evidence that there is no attempt at deception, e.g. in the cases of temporary storage and introduction of non-Union goods into the customs territory of the Union;

8. Calls on the Commission to present by 2017 an interim report thoroughly evaluating the EU customs policy (including a complete review of all problems, overlaps, gaps, inconsistencies and obsolete measures identified, complaints filed with customs authorities and infringements of the UCC which have been the result of the errors and loopholes in Regulation (EU) No 952/2013 and have been rectified since 1 May 2016), and by 2021 a fitness check, including an independent impact assessment, to ensure that the regulatory framework of the EU customs policy, including the new UCC, is effective, proportionate and fit for purpose both for Member States and for trade operators.

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**European Parliament resolution of 16 May 2017 on the Annual report 2015 on the protection of the EU’s financial interests – Fight against fraud (2016/2097(INI))**

*The European Parliament,*

17. Notes the Commission action plan on ‘VAT – Towards a single EU VAT area’ published on 7 April 2016; deeply regrets that the publication of the ‘Measures to improve cooperation between tax administrations and with customs and law enforcement bodies and to strengthen tax administrations’ capacity’ provided for in the action plan for 2016 will be delayed by one year; emphasises that the problems related to cross-border VAT fraud need
strong, coordinated and speedy measures; urges the Commission therefore to speed up its procedures and come up with solutions in order to avoid the loss of tax revenue in the EU and in the Member States;

21. Notes that the number of cases of irregularities being voluntarily reported is rising, and calls on the Member States to adjust their customs inspections strategies accordingly, by taking the results of voluntary reporting into account;

23. Underlines the fact that the smuggling of heavily taxed goods causes significant losses of revenue to the budgets of the EU and the Member States, and that direct losses in customs revenue as a result of cigarette smuggling alone are estimated at more than EUR 10 billion a year;

25. Takes positive note of the successful outcomes of numerous joint customs operations (JCOs) involving the cooperation of OLAF and Member States with various third-country services, which have resulted in the seizure of, inter alia, 16 million sticks of cigarettes and 2 tonnes of cannabis; notes that operation Baltica, led by Polish customs authorities in cooperation with OLAF, Europol and five Member States (Finland, Estonia, Latvia, Lithuania and Sweden), seized 13 million sticks of cigarettes coming from third countries such as Belarus and Russia;

27. Notes that customs controls carried out at the time of clearance of goods and inspections by anti-fraud services were the most successful methods of detecting fraudulent cases on the revenue side of the EU budget in 2015;

28. Expresses deep concern that a decrease in customs staff may negatively influence the number of controls, and therefore have a negative impact on the detection of fraudulent actions on the revenue side of the EU budget;

29. Reiterates that effective customs controls are a key element in protecting EU financial interests, and that budgetary measures should not prevent the Member States’ authorities from carrying out their missions;

30. Expresses concern with regard to customs inspections and the related collection of customs duties, which are an own resource for the EU budget; points out that inspections to verify that importers are complying with the rules on tariffs and imports are carried out by Member States’ own customs authorities, and calls on the Commission to ensure that inspections at the EU’s borders are appropriate and harmonised, thereby guaranteeing the EU’s security, safety and economic interests, and to commit to fighting trade in illegal and counterfeit goods in particular;

31. Welcomes the Commission’s recommendation that Member States should strike the right balance between trade facilitation and the protection of the EU’s financial interests; points in this respect to the fast-lane procedures of customs authorities for companies that are considered low-risk, which in itself can be a good system for quick clearance of goods, but has proved vulnerable to corruptive practices by customs officers;

65. Stresses that in its mid-term assessment of cohesion policy, due to take place in 2018, the Commission should take account of the need to prevent and reduce the risk of irregularities, including fraudulent ones; regrets that complex procedures are making financing through EU funds less attractive; asks the Commission to analyse the benefits of introducing incentives to increase the efficiency of spending; calls on the Commission to create a
mechanism for the exchange of information between the national competent authorities, in order to allow a cross-comparison of the accounting records of transactions among Member States with a view to helping to detect any transnational fraud in the context of the MFF 2014-2020;

89. Notes OLAF’s role within different joint customs operations (JCOs) in preventing losses for the EU budget, and asks OLAF to include in its future annual reports more information and concrete figures concerning its contribution to protecting the revenue side of the EU budget.

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**European Parliament resolution of 5 July 2016** on a new forward-looking and innovative future strategy for trade and investment *(2015/2105(INI))*

[The European Parliament, ]

65. Asks the Commission to address small and medium enterprises’ (SMEs) needs horizontally in all chapters of trade agreements, including, but not limited to, through the creation of online single points of entry where SMEs can learn about relevant regulation […] stresses the need to cut trading costs for SMEs through streamlining customs procedures, reducing unnecessary non-tariff barriers and regulatory burdens, and simplifying rules of origin; believes that there is a role to be played by SMEs in helping the Commission to shape these tools to ensure that trade agreements meet their needs; encourages the Commission to maintain close dialogue with SME representatives at all stages of trade negotiations;

84. Stresses that the Commission, in negotiating trade agreements, should seek to persuade trading partners to adopt single windows for customs and border compliance, if necessary accompanied by capacity-building aid for trade funds, as appropriate;

85. Emphasises that adequate communication and strong coordination are required to ensure that tariff elimination is accompanied by appropriate technical, institutional and policy measures to ensure continued security of trade;

86. Asks the Commission to consider key performance indicators in order to assess the performance of customs administration at home and abroad; regrets that, at present, very little public data is available; points out that it would be useful to understand how customs and other border agencies are performing at home as well as among trade partners, on an ongoing basis, with a view to sharing best practices and coordinating trade facilitation specific interests within the European institutions – taking account of the provisions of Article 13 of the WTO Trade Facilitation Agreement.

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9. Notes with concern that the amount of TOR affected by fraud in 2014 was 191 % higher than in 2013, and the amount affected by non-fraudulent irregularities was 146 % higher in 2014 than in the previous year;

11. Is concerned about the VAT gap and the estimated losses on VAT collection, which amounted to EUR 168 billion in 2013; underlines the fact that in 13 of the 26 Member States examined in 2014, the average estimated VAT loss exceeded 15,2 %; points out that the Commission does not have access to the information exchanged between Member States with a view to preventing and combating so-called ‘carousel’ fraud; calls on all the Member States to participate in all of Eurofisc’s fields of activity so as to facilitate the exchange of information with the aim of helping to combat fraud; reiterates that the Commission has the competence to control and supervise measures taken by the Member States; calls on the Commission to make full use of its executive powers in order to both control and help the Member States in their fight against VAT fraud and tax avoidance; acknowledges that since 2013 the Commission has been using the Quick Reaction Mechanism to deal with massive and sudden VAT fraud;

14. Expresses concern with regard to customs inspections and the related collection of customs duties, which are one of the own resources under the EU budget; points out that it is the customs authorities of the Member States that conduct inspections to check that importers are complying with the rules on tariffs and imports, and stresses that the Court of Auditors has found the quality of those inspections to vary from one Member State to another; calls on the Commission to update the Customs Audit Guide, published in 2014, in order to eliminate the shortcomings detected by the Court of Auditors, such as the issues surrounding the handling of imports cleared through customs in another Member State;

34. Welcomes the fact that in 2014 there were 48 agreements in place that encompassed mutual administrative assistance, covering 71 countries, with another 49 countries in negotiations, including major trading partners such as the USA and Japan, and asks that Parliament be kept constantly informed of developments in these negotiations; emphasises that the top priority in terms of protecting the EU’s financial interests and combating fraud effectively is to ensure that legislation is applied and that all parties observe the relevant international agreements, including relevant anti-fraud and anti-corruption clauses providing for sanctions; encourages the Commission to continue to cooperate with other countries on anti-fraud measures and to establish new administrative cooperation arrangements; invites the Commission to continue to include anti-fraud and anti-corruption provisions in all EU international agreements so as to pave the way for enhanced cooperation in combating organised crime, trafficking and other illegal or illicit trade;

73. Welcomes the successful outcomes of numerous joint customs operations (JCOs) involving the cooperation of OLAF and Member States with various third-country services, which have resulted in the seizure of, inter alia, 1,2 million counterfeit goods, including perfumes, vehicle spare parts, electronic devices and 130 million cigarettes; underlines the fact that the smuggling of heavily taxed goods causes significant losses of revenue to the budgets of the EU and the Member States, and that direct losses in customs revenue as a result of cigarette smuggling alone are estimated at
more than EUR 10 billion a year; points out that trafficking in counterfeit goods inflicts damage on the revenue of the EU and its Member States and on European companies;

74. Is very concerned about the increasing incidence of smuggling, trafficking and other forms of illegal and illicit trade, which not only have an impact on Member States’ collection of customs duties and consequently on the EU budget, but are also strongly associated with organised international crime, threats to consumers and negative effects on the functioning of the single market, and which undermine a level playing field for all competing companies, particularly SMEs; requests, therefore, better coordination between OLAF, customs authorities and market surveillance authorities in order not only to combat these problems but also to curb the trade in products that infringe intellectual property laws in the EU.

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[The European Parliament,]

10. Is concerned that in 2013 most of the established amounts in the OWNRES database in the EU-28 are related to the ‘release for free circulation’ customs procedure for both fraud cases (93 %) and irregularity cases (87 %); calls on the Commission to take appropriate actions aimed at reinforcing the ‘release for free circulation’ customs procedure in order to make the latter less prone to occurrences of fraud and irregularity;

16. Underlines the fact that in many Member States the VAT gap is continuously high owing to VAT fraud and avoidance; emphasises that the Commission has the authority to control and supervise the measures taken by the Member States; calls, therefore, on the Commission to fully use its powers in order to help the Member States in their fight against VAT fraud and tax avoidance.

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[The European Parliament,]

12. Highlights that increased tax policy harmonisation would ensure that Member States’ tax policies support wider EU policy objectives as set out in the Europe 2020 strategy for smart, sustainable and inclusive growth; emphasises that, at a time when public debt is high and there is a glaring need for investment in the European Union, effective taxation provides Member States with a basic level of revenue;
13. Recommends that the Commission as well as individual Member States, when formulating or amending tax policy, inter alia in the framework of the European Semester, engage in a serious dialogue with businesses and social and civil stakeholders in order to ensure that tax policy legislation reflects economic reality and promotes voluntary tax compliance;

14. Calls on the Commission to develop concrete proposals on how to tackle tax obstacles that hinder the cross-border activity of individuals and businesses in the Single Market, and to further develop tools of simplification and which increase transparency on taxation rules and regulations that are in force both in the EU and in the MSs; underlines that this would reduce the costs for companies, in particular SMEs, citizens and public administrations, and in turn would help prevent tax evasion, tax avoidance or simply mistakes;

15. Notes that the EU VAT system provides for a significant part of EU public revenues – 21 % in 2009(32) ; highlights that the current VAT collection model has remained unchanged since its introduction, leading to high levels of both unnecessary compliance costs and tax avoidance; stresses that as the model is outdated, its continued use leads to substantial and unnecessary losses;

18. Calls on the Commission to put forward concrete proposals to tackle the VAT gap in order to fight tax fraud and tax evasion, taking into account the recent proposals as adopted by the Council;

20. Calls on the Commission to come forward with a proposal to simplify legislation on VAT return obligations in order to reduce administrative burdens for EU businesses and to facilitate cross-border trade;

29. Calls on the Commission to develop further initiatives to promote good governance in tax matters in third countries, to tackle aggressive tax planning and to address double (non-)taxation gaps; states that double (non-)taxation agreements between MSs and third countries must be based on common standards; insists that no double (non-)taxation agreements should be entered into with tax havens or non-cooperative jurisdictions and invites the Commission, therefore, to add a clause in every relevant legislative proposal to ensure the objectives of the legislation are not circumvented via tax constructions;

30. Asks the Commission to submit to the Council and Parliament, on a yearly basis, a report on the work and achievements of the platform for good tax governance;

48. Calls on the MSs to improve their administrative cooperation in the area of direct and indirect taxation and excise duties, and as regards mutual assistance in the recovery of claims; recognises the importance of exchange of best practices between MSs and invites them to exploit the full potential of the Fiscalis 2014-2020 and Customs 2014-2020 programmes.
**Oral / Written Questions**

**EU Customs and Fiscalis Programmes,** P-004916/2018, Question for written answer to the Commission, Rule 130, Karol Karski (ECR), 27/09/2018

The Commission is proposing that measures be taken to enhance customs and tax cooperation between Member States in the implementation of the EU budget in 2021-2027. Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, stressed that the protection of the EU Customs Union and the application of the rules on taxation will require close cooperation. Implementation of the new Customs and Fiscalis programmes will help to achieve these objectives.

In the light of the above, I would like to ask the Commission the following:

1. On what premises and values are the European Union Customs and Fiscalis programmes based?
2. What would close cooperation between the competent authorities of the Member States for the protection of the EU Customs Union and the implementation of EU common rules on taxation consist of?
3. Is the Commission’s proposal put forward — the establishment of a permanent financial commitment of EUR 1220 million for the above two EU programmes — the most legitimate solution, and how does it justify such a large sum?

**Combating counterfeiting in the European Union,** E-003737/2018, Question for written answer to the Commission, Rule 130, Jérôme Lavrilleux (PPE), 09/07/2018

A study by the European Intellectual Property Office (EUIPO) informs us that counterfeiting costs the European economy almost EUR 60 billion. The EUIPO estimates that counterfeit products account for up to 5% of the EU’s imports, valued at EUR 85 billion per annum.

In addition, measures against imports of such products seem feeble in relation to the amounts of money and quantities of goods involved. According to Commission figures, customs services intercepted 41 million items of counterfeit goods in 2016.

The total value of the equivalent genuine products would have been in the region of EUR 672 million. This poses a serious threat to IPR-intensive sectors, which account for 42% of European GDP and 28% of employment in the European Union. Nearly 434 000 jobs are directly threatened.

1. How will the Commission step up measures to combat counterfeit products at EU and Member State levels?
2. Does the Commission intend to strengthen the regulatory framework and harmonise national legislation so that they become stronger deterrents?
3. How will the Commission make consumers more aware and involve them more in combating counterfeiting?
Deepening of the EU customs union, E-005912/2017, Question for written answer to the Commission, Rule 130, Jasenko Selimovic (ALDE), 25-09-2017; Interpretation of the tariff classification of certain products, E-004143/2017, Question for written answer to the Commission, Rule 130, Inmaculada Rodriguez-Piñero Fernández (S&D), 21-06-2017; Protection of the Union’s financial interests, E-003656/2017, Question for written answer to the Commission, Rule 130, Edward Czesak (ECR), 31-05-2017; Operation of the Union Customs Code, E-000128/2017, Question for written answer to the Commission, Rule 130, Jiří Pospíšil (PPE), 21-01-2017; Inspections of goods at EU borders, E-007935/2016, Question for written answer to the Commission, Rule 130, Vladimír Maňka (S&D), 21-10-2016; Tax fraud; E-013300/2015, Question for written answer to the Commission, Rule 130, Louis Michel (ALDE), 30-09-2015.

Such MEPs’ questions pointed out the need for an harmonisation of the national custom systems, and more exactly of: customs duties and customs clearance, in particular electronic customs requirements and risk-assessment programmes (Deepening of the EU customs union, E-005912/2017); customs nomenclature classification (Interpretation of the tariff classification of certain products, E-004143/2017), inspections of goods being imported into or exported and inspection fees (Inspections of goods at EU borders, E-007935/2016), the setting up of a common fiscal framework in order to combat fraud and tax evasion (Tax fraud, E-013300/2015), and anti-fraud law enforcement activities under the European Public Prosecutor’s Office (Protection of the Union’s financial interests, E-003656/2017). One question inquired about the European Commission’s monitoring of the UCC implementation by MSs (Operation of the Union Customs Code, E-000128/2017).

Protection of the Union’s financial interests, E-003656/2017, Question for written answer to the Commission, Rule 130, Edward Czesak (ECR), 31-05-2017; Garlic import certificates, E-015591/2015, Question for written answer to the Commission, Rule 130, Esther Herranz García (PPE), 9-12-2015; Tax fraud; E-013300/2015, Question for written answer to the Commission, Rule 130, Louis Michel (ALDE), 30-09-2015.

These MEP’s questions were focused on the protection the EU’s financial interests, which should be carried out by combating intra-community and extra-community fraudulent importation, reforming the VAT collection system and monitoring the controls and reporting carried out by the Member States.

Structural customs funds, E-000765/2017, Question for written answer to the Commission, Rule 130, Monica Macovei (ECR), 2-02-2017; Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management, E-009518/2016, Question for written answer to the Commission, Rule 130, Rodriguez-Piñero Fernández (S&D), 15-12-2016.
Two MEP’s questions raised concerns about the funding of those programmes related to the customs system. Question n. E-009518/2016, in particular, underlined the *Progress report on the implementation of the EU Strategy and Action Plan for customs risk management* statement that ‘insufficient financing to develop the required IT systems is a major issue hampering progress, most notably in relation to the new Import Control System. Whilst being recognised as a European Information System in the Customs 2020 Regulation, the Customs 2020 programme budget is insufficient to cover the costs of IT implementation’ ([Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management](https://www.europa.europa.eu/europarl/documents/parliamentarism/direct_inquiries/2016-18_en.pdf), E-009518/2016).
### Special report 20/2017 of 7 December 2017

**EU-funded loan guarantee instruments: positive results but better targeting of beneficiaries and coordination with national schemes needed**

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<td>Report No / Date / Title</td>
<td>Special report No 20/2017: Import procedures: EU-funded loan guarantee instruments: positive results but better targeting of beneficiaries and coordination with national schemes needed</td>
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<td>Summary</td>
<td>Questions asked:</td>
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<td>Have EU loan guarantees supported smaller business’ growth and innovation by improving their access to finance?</td>
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<td>And more exactly whether:</td>
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<td>(a) the current guarantee instruments had been set up appropriately;</td>
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<td>(b) the beneficiaries would have struggled to obtain a loan without a guarantee;</td>
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<td>(c) the guarantee instruments met their objectives or reached their intended recipients; and</td>
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<td>(d) the Commission’s evaluation system provided evidence of the effectiveness of the guarantee instruments.</td>
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<td>To analyse long-term results and the evaluation system, the audit focused primarily on the loan guarantee instruments that were in place in the 2001-2013 period. For all other aspects, the audit focused on the InnovFin SME Guarantee Facility for research- and innovation-driven companies and the Loan Guarantee Facility (two centrally managed instruments currently in operation). Auditors visited financial intermediaries of the Loan Guarantee Facility (in the Czech Republic, Romania and the United Kingdom) and of the InnovFin SME Guarantee (in Germany and Sweden) as well as commercial</td>
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banks and government bodies in Greece; in addition, they conducted an analysis of a random sample of 50 loans covered by the two instruments and telephone interviews with a sample of 46 beneficiary companies of the InnovFin SME Guarantee Facility.

Findings:

1. The set-up of the guarantee instruments suffered from weaknesses
   
   d) The size of the instruments was not based on a comprehensive and up-to-date assessment of market needs (due to lack of data, improper assessments by MSs, no analysis of all other EU-financed guarantee instruments taken together)
   
   e) The level of costs and fees had not been sufficiently substantiated by comparisons with previously run schemes or the fees paid by other bodies
   
   f) The two facilities became operational quickly

2. Loan guarantee instruments did not sufficiently focus on businesses struggling to obtain a loan
   
   f) Since targeting viable businesses that lack access to finance is not an explicit requirement, this is often not a priority, especially for private intermediaries
   
   g) Larger loans continue to be guaranteed, sometimes even by circumventing the rules
   
   h) The Commission took one successful to better target "viable businesses lacking access to finance" but has not yet explored other possible measures, in particular for the InnovFin SME Guarantee Facility
   
   i) Uptake of the instruments was slow in Member States in financial difficulties

3. Objectives partially achieved
   
   a) The predecessors to the Loan Guarantee Facility helped businesses to grow (implying job creation, boost of assets, increased productivity and higher rate of survival)
   
   b) The InnovFin SME Guarantee Facility did not sufficiently focus on research and innovation with a high potential for excellence

4. The Commission’s evaluation system provided only limited evidence of the instruments’ effectiveness
a) Previous evaluations by the European Commission failed to provide robust evidence of the effectiveness of the instruments (e.g. they were carried out too early and took a very narrow view)
b) Data collection to support future evaluations improved but shortcomings remain (e.g. little analysis of the effect on the supply side, of how the benefits of the subsidy are effectively split between the suppliers and beneficiaries and of how guarantees affect competition between banks).

**Recommendations:**

The Commission should:

1. Assess the market needs and how the various EU guarantee instruments can best respond to these needs alongside nationally/regionally funded instruments, thereby ensuring EU added value;
2. Obtain and analyse relevant data on the management costs of guarantee schemes, such as actual costs incurred by the EIF or costs incurred by nationally run schemes, as an input to strengthen its base for negotiation with the EIF and to ensure an appropriate level of the fees;
3. Include in the legislative proposal for a possible successor instrument to the InnovFin SME Guarantee Facility specific provisions to target viable innovative businesses lacking sufficient access to finance and ensure non replacement of private sector funding;
4. Introduce mechanisms to reduce the share of supported businesses that could have obtained commercial loans without EU support. It should assess the costs and benefits of possible measures to achieve such a reduction;
5. Annually monitor the financial intermediaries’ share of businesses having access to commercial loans without EU support and take corrective action whenever this share is too high. This monitoring should be done on the basis of available information by financial intermediaries, thus not imposing any additional administrative burden on businesses;
6. Include in the legislative proposal for a possible successor instrument a clear definition of the type of innovation supported and establish the size of the instrument accordingly;
7. Review the innovation eligibility criteria to ensure that any successor instrument predominantly supports companies engaging in activities with a high potential for excellence requiring risky investments;
8. Perform a comprehensive ex-post evaluation of the predecessor to the Loan Guarantee Facility focusing whether the guarantees were effective in general;
9. Develop a methodology for analysing the effect of guarantees on the loan supply, competition between banks and business innovation activity and for analysing the split of implicit subsidy between supplier and beneficiary;
10. In addition to separate final evaluations for each of the two centrally managed guarantee instruments, present one combined evaluation assessing their relative performance and, as far as possible, providing a comparison with similar EU debt instruments used in the past or concurrently;
11. Devise a system allowing researchers to obtain access to data on the beneficiaries of the guarantees.

| CONT Committee Working Document; Rapporteur | **CONT Working Document of 25/01/2018** on ECA Special Report 20/2017 (Discharge 2017): EU-funded loan guarantee instruments: positive results but better targeting of beneficiaries and coordination with national schemes needed  
Rapporteur: Martina Dlabajová (ALDE)  
[Recommendations by the rapporteur,]  
The Commission should: |
|---|---|
| 7. | Is of the opinion, together with the Court, that financial instruments should only be used, if commercial loans are unobtainable because the project is too small or too risky, or the borrower cannot offer the necessary collateral; it therefore seem necessary to monitor financial intermediaries;  
8. | Draws the attention of the Commission and the Court to the fact that the Loan Guarantee Facility and the InnovFin SME Guarantee Facility creates potentially intermediaries’ loan portfolios worth EUR 24.42 billion, of which the European Union’s discharge authority knows very little, as the system is highly complex and opaque;  
9. | Reiterates Parliament’s position as expressed in the 2015 Commission discharge resolution: o “20. Points out the increasing use of financial instruments principally composed of loans, equity instruments, guarantees and risk sharing instruments under indirect management for the 2014-2020 period, and points out further that the European Investment Bank Group managed almost all of the financial instruments under indirect management; does not believe there is enough information available for an assessment of what these instruments have achieved, especially with regard to their social and environmental impact; emphasises that financial instruments can supplement grants but should not replace them;”  
10. | Reminds Commissioner Oettinger of his intention to bring the various shadow budgets, in the long run, back under the roof of the Union budget; considers that this would hugely increase democratic accountability; calls on the Commission to draft a communication on how this can be done by June 2019. |

| Related EP Reports / Resolutions of other committees | **European Parliament resolution of 5 July 2017** on the mandate for the trilogue on the 2018 draft budget (2017/2043(BUD))  
[The European Parliament,] |
|---|---|
4. Reiterates its firm conviction that in order to achieve sustainable growth and the creation of stable and quality jobs in the EU, boosting investment in research, innovation, infrastructure, education and SMEs is key; [...] considers, however, that further reinforcements will be needed, especially given the cuts operated in these policies’ financing to the benefit of EFSI financing;

5. Recalls the crucial role of SMEs in job creation and reduction of the investment gap, and underscores that their adequate funding must remain one of the top priorities of the EU budget; regrets, in this respect, that the proposed allocation for COSME is 2.9% lower in comparison with the 2017 budget, and expresses its intention to further reinforce this programme in the 2018 budget; points to the need to further support SMEs and calls for full delivery on the programme’s financial commitments in the remaining years of the current MFF; welcomes the Commission’s attempt at streamlining SME financing within Horizon 2020;

21. Is surprised, however, that COSME commitment and payment appropriations have been reduced respectively by 2.9% and 31.3%, although support to SMEs is identified as one of the top priorities of the EU.

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European Parliament resolution of 15 September 2016 on access to finance for SMEs and increasing the diversity of SME funding in a Capital Markets Union (2016/2032(INI))

(The European Parliament,)

3. Underlines that the need for diverse and improved public and private funding options for SMEs does not end after the start-up phase, but that it continues throughout their lifecycle, and points out that a long-term strategic approach is required in order to safeguard business funding; stresses that access to finance is also of importance for the transfer of businesses; calls on the Commission and the Member States to support SMEs in this process, including in the first years of operation; notes the need for a diversified, tailor-made approach in terms of regulation and in terms of initiatives to be supported; points out that there is no one-size-fits-all model of finance, and calls on the Commission to support the development of a broad range of tailored programmes, instruments and initiatives, in order to support businesses in their start-up, growth and transfer phases, taking into account their size, turnover and financing needs; [...] calls on the Commission therefore to make sure that its programmes aimed at facilitating access to finance for SMEs do not disfavour women entrepreneurs;

5. Believes that a diversified, well-regulated and stable financial services sector offering a wide range of cost-efficient tailor-made funding options best serves the actual funding needs of SMEs and the real economy, enabling long-term sustainable development; underlines the importance of traditional models of banking, including small regional banks, savings cooperatives and public institutions in this regard; notes in this respect the need to ensure equal focus on improving access to finance for micro-enterprises and sole traders;
9. Notes that start-ups and micro-enterprises in particular find it difficult to obtain appropriate funding and to identify and meet regulatory financial requirements especially at the development stage; notes the lack of harmonisation in national SME-creation legislation; encourages the Member States to continue their efforts to reduce administrative hurdles and to create one-stop shops as hubs for all regulatory requirements for entrepreneurs; encourages the Member States, the EIB and national promotional banks, in this context, to provide information on financing options and loan guarantee schemes;

12. Calls on the Commission and the Council to pay more attention to the demand-side concern of SMEs, to reflect it in a more appropriate manner in the recommendation on the economic policy of the euro area, in the country-specific recommendations and in the ex-post assessment of the Member States’ compliance with the recommendations;

18. Reiterates that it is also important to enhance the SME lending capacity of banks and to increase their ability to lend to SMEs; points out that financing by capital markets alone will not succeed in providing sufficient funding and appropriate financing solutions including access to capital for SMEs; notes that a diversification of credit sources would lead to greater stability of the financial sector;

27. Notes that credit ratings are an important and sometimes determining element of investment decisions; draws attention to the existence in some Member States of in-house credit assessment systems (ICAS) managed by the national central banks in order to assess the eligibility of collateral and which enable SMEs to obtain an assessment of their creditworthiness; calls on the Commission, the ECB and national central banks to further investigate whether and how these systems can be used in order to help SMEs access capital markets;

28. Calls on the Commission and the EBA to provide more guidance on the implementation of the current forbearance regulation; asks the Commission to conduct an impact assessment on the current forbearance regime for non-performing loans, recalls that non-performing loans on banks’ balance sheets are hampering the delivery of new loans, especially for SMEs; stresses that the introduction of a de minimis limit for minor violations would help to prevent an unnecessary and unjustified drop in the creditworthiness of the SME; [...] ;

31. Stresses the importance of public institutions as an alternative to private banking as a source of funding for SMEs.

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[The European Parliament, ]

15. Stresses that increased financing of investments is needed; calls for a well-functioning financial system where increased stability and existing cross-border institutions can facilitate liquidity and market making, especially for SMEs; notes as well, in this regard, that high-growth companies
have issues with access to finance; calls for the Commission to identify and implement projects that support and attract market-based investment for such companies; underlines that reforms regarding banking structure must not hamper liquidity making.

18. Emphasises that reliable investment requires a stable regulatory environment that allows for a return on investment; considers that predictable rules, efficient and transparent public administrations, effective legal systems, a level playing field and a reduced administrative burden are crucial factors for attracting investment; stresses that 40% of the country-specific recommendations for 2016 address obstacles to investment which the local and regional authorities can help to remove; calls, furthermore, on the Commission to take the necessary action on the basis of the ‘Call for evidence: EU Regulatory Framework for Financial Services’, to reduce red tape, simplify regulation and improve the financing environment.

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European Parliament resolution of 26 October 2016 on the European Semester for economic policy coordination: implementation of 2016 priorities (2016/2101(INI))

[The European Parliament,]

4. Recognises the importance of coherence between cohesion policy instruments and the wider economic governance framework, with a view to supporting the recovery efforts needed to achieve compliance with the European Semester rules; underlines, however, that the legitimacy of cohesion policy derives from the Treaties, and that this policy is the expression of European solidarity, having as its main objectives strengthening economic, social and territorial cohesion in the EU by reducing disparities between the levels of development of the various regions, financing investment linked to Europe 2020 goals and bringing the EU closer to its citizens; is therefore of the opinion that measures linking the effectiveness of ESI Funds with sound economic governance should be applied judiciously and in a balanced way, but only as a last resort, and that their effects should be reported; recalls, moreover, that the application of such measures should always be justified, transparent and take into consideration the economic and social circumstances of the Member State concerned, in order to avoid restricting regional and local investments, which are absolutely essential for the Member States’ economies, particularly for small and medium-sized enterprises (SMEs), as these investments maximise growth and job creation and stimulate competitiveness and productivity, especially in times of strong pressure on public expenditure; [...];

8. [...] notes that support measures to facilitate access to financing, particularly for SMEs, is vital if the continuing high unemployment in many Member States is to be tackled effectively.

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[The European Parliament,

2. Underlines the fact that the strengthening of EU competitiveness, higher economic growth and employment depend, inter alia, on an increase in investment, especially in research, innovation, digitalisation, energy efficiency and sustainability, the circular economy, and in support for start-ups and existing SMEs;

23. Strongly supports the emphasis placed by the EIB on the financing of small and medium-sized enterprises (SMEs), with 37% of the new lending granted in 2015 (EUR 28.4 billion); welcomes in particular the fact that the EIB operations helped to create and sustain 4.1 million jobs in Europe’s SMEs and mid-caps (+13% as compared to 2014); recalls that SMEs are the backbone of Europe’s economy, providing 85% of all new jobs, and that supporting them must remain a fundamental objective of the bank; underlines that the EIB is one of the institutions helping to reduce the financing gap that SMEs face;

25. Welcomes the fact that, in recent years, the EIB has placed greater emphasis on supporting SMEs; is concerned that the EIB’s funding may be biased in favour of larger enterprises by targeting the number of jobs sustained (which includes pre-existing jobs without risk of layoffs); asks that the EIB target and report not only jobs sustained, but also jobs created by its funding activities, and aim at complying with ILO standards;

28. Takes the view that, given the strategic role of micro, small and medium-sized enterprises, the EIB should also devise a strategy to increase their financing in countries with unfavourable economic and banking environments; believes that particular attention should also be paid to competitive and agile very small enterprises in need of financing, micro-enterprises and micro-entrepreneurs, which account for 30% of private sector employment in the EU and are more susceptible to economic shocks than larger firms; believes that this strategy should include the reinforcement of administrative and advising capacities with a view to providing information and technical support to SMEs in developing and applying for finance; believes that in the domain of access to finance, the EIB could emphasise bridging possible funding gaps for microenterprises through financial instruments and products such as microfinance facilities and guarantees;

29. Welcomes the EIB’s financing activity in the area of infrastructure and transport, as these projects significantly increase the potential of trade and can have a leverage effect in the internationalisation of SMEs, especially in regions with geographical disadvantages;

30. Is of the opinion that the EIB should take special care to ensure that the network of financial intermediaries that it has developed is trustworthy and in a position to finance dynamic and competitive SMEs effectively and in accordance with EU policies; calls on the EIB to cooperate more closely with regional public institutions with a view to optimising the financing possibilities for SMEs; stresses the need to tailor investment programmes towards small-scale projects in order to ensure the participation of SMEs;

31. Stresses that access to finance is one of the most pressing challenges for SMEs; underlines the need for an EIB strategy to enable further and improved access to funding for SMEs, including through trade facilitation programmes and initiatives such as the European Progress Microfinance facility and the new facilities for financing European and Latin American/Caribbean SME trade activities; suggests the establishment of more proactive...
**SME and microenterprise policy requirements for intermediary banks disbursing EIB funds; suggests further improvements in transparency with regard to the assessment of the local economic and social impact of the EIB’s intermediated loans; underlines that the EIB’s contribution to SME-related programmes in third countries which have preferential trading regimes with the EU should be geared towards their integration into global supply chains, while specifically in the Eastern and Southern neighbourhood such EIB programmes should be oriented to the integration of SMEs into European value chains:**

35. Welcomes the strong increase in EIB lending to innovative projects, which stood at EUR 18.7 billion in 2015, as compared to less than EUR 10 billion in 2008, and is of the opinion that it should be further increased; urges the EIB to continue this effort and to focus on the development of technologies for the future, such as energy-efficiency transport, robotics, the bio economy, the digital economy and new medical treatments for a better life; believes that concentrating on InnovFin and FinTech will attract projects with added value in the Member States; believes that the EIB could strengthen its support to innovation through targeted investments in education and training, as well as for start-ups and growing enterprises, and in particular in less developed regions.

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**European Parliament resolution of 15 March 2017 on general guidelines for the preparation of the 2018 budget, Section III – Commission (2016/2323(BUD))**

[The European Parliament, ]

5. Recognises the fact that SMEs remain the backbone of the European economy and will continue to play a decisive role in creating jobs and growth across the EU; considers also that SMEs are the main source of job creation and therefore need an appropriate access to finance; calls in this respect for COSME appropriations to be increased, taking into account the success of this programme; stresses the importance of strengthening the COSME programme in the new MFF in order to provide SMEs with more substantial support from the EU; believes that establishing synergies with other financial instruments would lead to better results.

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**European Parliament resolution of 15 September 2016 on how best to harness the job creation potential of small and medium-sized enterprises (SMEs) (2015/2320(INI))**

[The European Parliament, ]

27. Calls on the Commission to better engage Member States and local as well as regional authorities, third level education and training facilities, civil society associations, businesses, trade unions and financial institutions with a view to promoting and making full use of EU funding sources (e.g.
the EFSI, the ESF, the ERDF, COSME, Horizon 2020 and Erasmus+) so as to help overcome the difficulties in accessing information, counselling and finance which are some of the main barriers to the growth of SMEs and their job creation potential; also emphasises the importance of cross-border SME promotion programmes under the framework of the European research initiative EUREKA as a means to further cooperation between SMEs and research institutes; calls on the Commission and on Member States to better coordinate the different funding instruments for SMEs;

28. Stresses, in this regard, that so far, training and information on such opportunities is almost non-existent, in comparison with actual needs and the many opportunities that these funds could create;

63. Calls on the Commission to facilitate the securitisation of loans to micro-companies and SMEs to increase their available credit.

European Parliament resolution of 13 September 2016 on implementation of the thematic objective ‘enhancing the competitiveness of SMEs’ – Article 9(3) of the Common Provisions Regulation (2015/2282(INI))

[The European Parliament, ]

6. Encourages the Member States and regional authorities to consider the use of the financial instrument opportunities; emphasises the need to ensure the transparency, accountability and scrutiny of such financial instruments and of the SME Initiative Programme aimed at financially supporting SMEs; highlights that financial instruments should always be used consistently with the goals of cohesion policy, and that proper technical and administrative support should be provided;

7. Calls for simplified and less regulated access to credit, taking into account the particular characteristics of microenterprises and start-ups and the regions in which they operate; regrets that investors and banks are often reluctant to finance businesses in their start-up and early expansion phases and that many SMEs, especially small start-ups, have found it hard to gain access to external funding; asks the Commission, the Member States and regional authorities, therefore, to pay particular attention to improving access to finance for microenterprises and start-ups that want to scale-up; points out the need to equalise interest rates for financing of SMEs with interest rates for larger companies;

8. Considers that European small businesses tend to lean on financing sources such as banks, and are not fully aware of the existence of additional funding sources, or of their financial options; notes that the Commission, taking into account the fragmentation of the markets, has proposed a series of initiatives, such as the Capital Markets Union, aimed at diversifying the financing sources, facilitating free movement of capital and improving access to finance, in particular with regard to SMEs;
|   | Notes the lack of evidence on the outcomes and results achieved by financial instruments and the loose link between those financial instruments and the overarching objectives and priorities of the EU; calls on the Commission to further improve the provision of grants instead of primarily promoting the use of financial instruments;  
|   | Notes that in the 2007-2013 programming period several obstacles, such as the effects of the economic crisis, the complex management of structural funds and administrative burdens, as well as limited access to financing for SMEs and complexity of implementation of support schemes, led to an insufficient absorption of such funds by SMEs; warns that the underlying reasons for the low absorption rate need to be addressed in order to avoid any recurrence of the same problems in the 2014-2020 programming period, and that excessive bureaucracy prevented some SMEs from applying for the available funds; regrets the too general and incomplete nature of the existing studies on the efficiency and real impact of the ESI Funds on SMEs and asks the Commission to rapidly prepare an assessment of this issue, in cooperation with the Member States, and submit it to Parliament; [...];  
|   | Calls on the Commission to identify and reduce, at the earliest possible stage, obstacles preventing the efficient use of funds for SMEs and start-ups, to identify potential synergies among ESI Funds and between ESI Funds and other SME-relevant funds, and to provide specific recommendations for action and guidance aimed at further simplifying, monitoring and assessing the use of such financial instruments; notes that there are increased difficulties in this sector, especially in outermost regions and in those areas where the poor quality of key infrastructure leads to low amounts of private investment;  
|   | Stresses the need for structured dialogue between the European Investment Bank and the European Investment Fund in order to improve and facilitate the access of SMEs to diversified funding sources;  
|   | Highlights that the main obstacles preventing SMEs from broadly accessing ESI Funds include administrative burden, a large number of aid schemes, complexity of rules and procedures, delays in introducing executive acts and the risk of gold-plating; asks the High Level Group on Simplification, therefore, to deliver concrete proposals, also bearing in mind the Better Regulation Strategy, to reduce the administrative burden and simplify procedures in the management of ESI Funds by SMEs, with special emphasis on the requirements relating to the audit, management flexibility, risk and interim assessment, control system and coherence with competition rules and other EU policies; [...];  
|   | Calls on the Commission to establish conditions for State aid at national and regional level which will not discriminate against SMEs and which should be in line with Cohesion Policy support for enterprises, and to make full use of aid schemes based on the general block exemption regulation, so as to reduce the administrative burden for administrations and beneficiaries and increase the take-up of ESI Funds, while clarifying the link between the rules on ESI Funds for SMEs and the rules on State aid;  
|   | Asks the Commission to encourage the Member States to exchange data, knowledge and best practices in this respect, ensuring appropriate reporting and motivating them to support projects with high job creation potential; |
23. Calls on the Commission and the Member States to urgently find a lasting solution to the backlog of payments related to regional policy and to properly apply the Late Payment Directive (2011/7/EU), so as to ensure that SMEs, as project partners, will not be deterred from taking part in support programmes and projects during the current programming period on account of payment delays; also points out that more thorough compliance with this directive, requiring, inter alia, that public authorities make payments within 30 days for the goods and services that they procure, would contribute to creating the conditions for stabilisation and growth of SMEs.

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[The European Parliament, ]

21. Draws attention to the difficulties faced by businesses, and in particular SMEs and start-ups, in securing funding; points out that differences in external factors, such as ease of access to credit, taxation regimes and labour regulations, mean that SMEs find themselves at a disadvantage compared to others; calls on the Commission, while continuing the valuable support provided to those companies through the European Fund for Strategic Investments (EFSI) and programmes such as Horizon 2020, COSME and the ESI funds, to explore ways of further facilitating access to these and other programmes and instruments, especially for micro-enterprises, for instance by reducing calls for applications to six-month periods and further simplifying the relevant procedures and increasing the visibility of European funding; welcomes the Commission’s intention to use funds from the COSME programme to fund information campaigns targeting innovative young SMEs; invites all regional and local authorities responsible for supporting companies, particularly those involved in the Enterprise Europe Network, to participate in these campaigns; considers simplification to be the key enabler in SME and start-up access to funding; calls on the Commission to make sure that crowdfunding can be done seamlessly across borders;

25. Regrets that the Commission did not emphasise enough the specific role of traditional manufacturing by Crafts and SMEs as an important contribution to both competitiveness and economic stability in Europe; encourages the Commission to exploit the full potential of digitalisation and innovation of the manufacturing industry, in particular for micro and small manufacturers and start-ups, as well as for less industrialised regions, in order to help reduce regional disparities and revitalise local economies; believes that stronger SMEs and Crafts policy must be put forward as one of the top priorities of all the European Institutions and Member States over the coming years.

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[The European Parliament, ]
14. Takes into consideration the fact that the EIB has restructured the classification of its main Public Policy Goals (PPGs) for the EIB Group for 2015-2017 (innovation and human capital, SMEs and midcap finance, efficient infrastructure, and the environment) in a way that differs from the formulation of its PPGs for 2014-2016 (increase in growth and employment potential, environmental sustainability, economic and social cohesion and convergence, and climate action); notes that the PPGs have been aligned with the evolving economic circumstances, and, in this connection, calls on the EIB to ensure that the two cross-cutting goals, for economic and social cohesion in the EU and for climate action, together with the envisaged percentage of signatures contributing to them, are further enhanced;

24. Notes that the EIB Group channels SME and midcap finance through a variety of financial intermediaries, aimed at improving conditions for and enhancing access to finance; calls on the EIB, accordingly, to work much more closely with its financial intermediaries in the Member States and to urge them to disseminate relevant information to potential beneficiaries in order to establish an entrepreneur-friendly environment which allows SMEs easier access to funding;

25. Notes that SMEs in many parts of Europe face extreme difficulties accessing necessary finance; welcomes, in this context, the greater emphasis the EIB is placing on supporting SMEs; emphasises the importance of the EIB in facilitating partnerships and strengthening support instruments for funding micro, small and medium-sized enterprises’ activity and for innovative start-ups; calls furthermore on the EIB to cooperate more closely with regional public institutions with a view to optimising the financing possibilities for SMEs;

42. Stresses that the financing of major projects often facilitates infiltration by companies linked to organised crime; criticises the fact that the EIB has provided funding for the ‘Passante di Mestre’ motorway bypass, which is the subject of tax fraud investigations; notes with concern that the EIB has not responded to the requests in this regard set out in the report on the Annual Report 2013 on the Protection of the EU’s Financial Interests – Fight against fraud; calls on the EIB, once again, to suspend all forms of funding for the project;

44. Calls on the EIB to increase its support to projects covered by the EU macro-regional strategies; stresses the importance of continuing to support sustainable innovative economic sectors, as well as traditional ones, in the EU; underlines the need to interconnect Europe by means of intermodal transport as well as place-based investments; calls, furthermore, for the establishment of financial and investment platforms in order to enable the bundling of funds from various sources and the mobilisation of investments needed for such macro-regional projects.

| Oral / Written Questions | COSME, E-000643/2017, Question for written answer to the Commission, Rule 130, Alain Cadec (PPE), 31-01-2017; Implementing the EU’s COSME programme on SME competitiveness, E-005959/2016, Question for written answer to the Commission, Rule 130, Adam Szejnfeld (PPE), 19-07-2017; Financial instruments, P-003516/2016, Question for written answer to the Commission, Rule 130, José Manuel Fernandes (PPE), 24-04-2016; SME funding, E-001857/2016, Question for written answer to the Commission, Rule 130, Eva Paunova (PPE), 01-03-2016; SME access to EU funding, E-000808/2016, Question for written answer to the Commission, Rule 130, Philippe Juvin (PPE), 29-01-2016; Access to risk to finance for innovative SMEs, E-000753/2016, Question for written answer to the Commission, Rule 130, Eva Paunova (PPE), |
MEPs asked the European Commission to quantify the impact of COSME or InnovFin on the SMEs’ capability of accessing finance. More specifically, some questions asked for the number of SMEs benefiting or have benefited from this scheme at a given moment (COSME, E-000643/2017; Alternative financing via the European Investment Bank (EIB): state of play, E-013024/2015; First year of the Cosme Programme, E-002803/2015; COSME programme in Spain, E-014167/2015; Use of financial funds from the COSME programme, E-006201/2015; Alternative financing via the European Investment Bank (EIB): state of play, E-013024/2015; SMEs, financing and the Juncker plan, E-011595/2015; Use of financial funds from the COSME programme, E-010864/2015), or for the geographical distribution of the applicants and beneficiaries (Implementing the EU’s COSME programme on SME competitiveness, E-005959/2016). Interests were also raised about secondary effects of the access to the funds, such as the internationalisation of business (Implementing the EU’s COSME programme on SME competitiveness, E-005959/2016).

Access to funding was repeatedly described as complex (SME access to EU funding, E-000808/2016; Alternative financing via the European Investment Bank (EIB): state of play, E-013024/2015; SMEs, financing and the Juncker plan, E-011595/2015; COSME programme, E-010864/2015). Suggestions to render it more flexible and efficient included systematic support measures for drawing up grant application files in accordance with the existent procedures (SME access to EU funding, E-000808/2016) and simplifying the application procedures for EU support programmes (COSME programme, E-010864/2015). Innovative SMEs were said to be disadvantaged in the distribution of EU funds by financial intermediaries that use normal commercial criteria (e.g. the number of sales, number of assets like house, etc.), since these are not fit for the purpose
of funding innovative SMEs. According to the speakers, this situation prevents innovative SMEs’ access to funds and their economic growth (Access to risk to finance for innovative SMEs, E-000753/2016; SMEs, financing and the Juncker plan, E-011595/2015). Moreover, attention was drawn to the fact that the ‘Juncker plan’ placed SMEs on the same footing as much larger firms (up to 3000 employees), thus reducing the formers’ capability of benefiting from this plan (SMEs, financing and the Juncker plan, E-011595/2015).

Complaints were raised about the further restriction of, or exclusion from, access to credit by the financial sector since the start of the economic crisis. The speakers argued that as a result of the financial crisis and of European policies the financial sector became more oligopolistic and less concentrated in traditional banking activity, further increasing its detachment from the real economy and small businesses. Therefore, the European Commission was asked to evaluate the risk of increased financial instability and volatile or stagnant growth affecting the flow of credit to SMEs (Access to finance for the SMEs, O-000130/2015).

Another question focused on the initiatives put in place to improve SME and banks’ financing in the EU after the financial and economic crisis, such as the Capital Requirements Regulation (CRR), the Capital Requirements Directive IV (CRD IV) and a special EU passport for fund managers investing in SMEs. Among other, these actions lowered the capital requirements related to credit risk for exposure to SMEs. The role of local and regional banks in granting access to funds to SMEs was also underlined. The European Commission was asked to assess the impact of such measures with a view to reducing unnecessary administrative burdens caused by possibly contradicting or superfluous provisions (Access to finance for SMEs, O-000122/2015).

Two questions focused on the need for strengthening alternative forms of lending such as venture capital and innovative forms of business financing (e.g. business angels or crowd funding instruments) (Increasing the flow of capital for start-ups, E-004271/2016; Access to finance for SMEs, O-000122/2015: Financing sources for small and medium-sized enterprises, and their access to public procurement, E-000126/2015).

Two MEPs questions pointed out that in 2014 and 2015 COSME’s actions overlapped with the Entrepreneurship and Innovation Programme (EIP) and the Competitiveness and Innovation Framework Programme (CIP) respectively (Implementation of the Entrepreneurship and Innovation Programme, E-009768/2014; Implementation of the Competitiveness and Innovation Framework Programme (CIP), E-001146/2015).

Several questions addressed the issue of raising awareness among the SMEs of the existing funding opportunities in Member States with low participation rates in calls for SME funding applications, and inquired about the communication activities that the European Commission is using (SME funding, E-001857/2016; Programme for the competitiveness of small and medium-sized enterprises (SMEs) - COSME, E-000410/2016).

Some questions concern specific economic sectors. More specifically, one question pointed out the importance of investing in the tourism sector within the COSME programme 2014-2020, where SMEs and family businesses make up to 90% of the entrepreneurial fabric (Programme for the competitiveness of small and medium-sized enterprises (SMEs) - COSME, E-000410/2016). Another one inquired about the geographical coverage of the Cultural and Creative Sectors Guarantee Facility given that not all the Member States have accredited financial intermediaries and
about the criteria used by the Commission and the European Investment Fund for selecting the countries that will have accredited financial intermediaries (Implementation of the Cultural and Creative Sectors Guarantee Facility, P-000538/2016). A third question underlined the difficulty in accessing credit for SMEs working in the agricultural sector, due in particular to the rise in interests on short-term loans (from 6% in 2007 to 12% in 2013). The speaker asked for a better assistance to SMEs in the agriculture, forestry and fisheries sectors, for rationalising and streamlining aid arrangements, for facilitating access to credit through public guarantees and for focusing public intervention on specific areas, thereby enabling the authorities concerned to spread the workload and risks and share information (Access to credit and agricultural loans for SMEs, E-007402/2014).
Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

**Special report 22/2017 of 13 December 2017**

Election Observation Missions – efforts made to follow up recommendations but better monitoring needed

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**Summary**

**Questions asked:**

The subject of this audit was EU Election Observation Missions (EOMs), with a particular focus on the follow-up of the recommendations issued by these missions. The main audit question was “Do the EEAS and the Commission make reasonable efforts to support the implementation of EU Election Observation Missions’ recommendations?”

The audit was carried out between January and May 2017. It covered EU EOM follow-up in four countries: Ghana, Jordan, Nigeria and Sri Lanka. Countries were selected on the basis of geographical spread and of the criteria of having hosted at least two previous EU EOMs with the most recent in 2015. The analysis focused on elections observed after 2010, with on-the-spot checks carried out in Ghana and Jordan. It examined whether:

- the way recommendations were drafted and presented facilitated their implementation
- stakeholders in the host countries had been consulted on the recommendations so as to foster local ownership, and thereby increasing the likelihood of implementation
- Exploratory Missions (ExMs) had taken previous recommendations into account in the preparation of the next EU EOM
- the EEAS and the European Commission had used the tools at their disposal to support the implementation of EU EOM recommendations. Since the Election Follow-up Missions (EFMs), political dialogue and electoral assistance were identified as most important tools, the audit focused on these
The audit also assessed the link between the EU EOM recommendations and programming of EU-funded electoral assistance, as well as the EU Delegation’s efforts to coordinate electoral assistance with the EU Member States. It stated that the ultimate responsibility for implementing the recommendations lies in third countries’ governments, and that the causal link between EU efforts to support implementation and the actual results is not strong enough to draw conclusions in this regard.

**Findings:**

1. **Presentation of EU EOM recommendations has improved in recent years, but has to be ameliorated further**
   
a) The overall presentation of recommendations improved and was coherent with the template and the guidelines. According to the stakeholders interviewed, the recommendations were constructive and sufficiently detailed without being too prescriptive
   
b) Some lacks remain both in the formal aspects (e.g. excessive use of long words, long sentences, only partial compliance to the template, etc.) and in the substantial ones (e.g. unduly explained selection of priority recommendations).

2. **EEAS and the Commission made reasonable efforts to support the implementation of the EU EOM recommendations and used the tools at their disposal to this end, especially political dialogue and electoral assistance**
   
a) Political dialogue took place, and played an important role in supporting the implementation of the recommendations. Through dialogue, some reforms were introduced in third countries. For instance, Sri Lankan authorities set a minimum quota of 25% for the parliamentary representation of women
   
b) The only EFM that took place (in Nigeria from May to June 2014) was widely considered as useful and timely
   
c) Funding and coverage of EU electoral assistance increased significantly in recent years (without overlapping to the assistance financed by EU Member States). In several areas it was possible to link funding and recommendations, and programming to formulation of EU electoral assistance.

3. **EEAS and the Commission’s action can be ameliorated further: political dialogue on the recommendations is sometimes insufficient and EFMs are not deployed as often as they could be**
   
a) A large part of the political dialogue concerned other priorities than the EU EOM recommendations and their implementation, whereas host country bodies were keen to discuss them further
b) The implementation of EU EOM recommendations often depends far more on the political will of the host country government than on the provision of EU funding.
c) The only country in the sample that hosted an EFM is Nigeria.
d) The recording of electoral assistance programmes by EU Delegations and of the financial overview of electoral assistance by the Commission is not exhaustive.

4. More consultation is needed on the ground
   a) Stakeholders were not consulted on recommendations as a whole nor on their technical aspects.
   b) Stakeholder roundtables were mostly inclusive, but in Jordan and in Ghana there exclusions were alleged.
   c) Stakeholder roundtables were scheduled too soon (immediately or 1-2 days) after the press conference. This allowed the Chief Observer to be present, but made it difficult for participants to familiarise themselves with the content of the final report and its recommendations. Consequently, the scope for useful discussion was limited.

5. There is neither a central overview of the recommendations nor a systematic assessment of their implementation status
   a) Material and information are treated by different staff members and Chief Observers, experts preparing new recommendations and other EU institutions.
   b) Reporting in all four countries was not comprehensive, providing a summary rather than a detailed assessment of implementation status; there is no systematic analysis after each EU EOM.
   c) EU Delegations are generally not sufficiently staffed and sometimes lack the in-depth knowledge required to assess electoral reform in the country.
   d) Result indicators for EU EOMs are not clear nor qualitatively even.

Recommendations:
1. The EEAS should take measures to further improve the guideline drafting, such as:
   a) ensure, through a systematic quality control on the format before publication of the final report, that the EU EOMs follow the drafting guidelines and template;
   b) update the drafting guidelines to request that EU EOMs document the rationale behind the prioritisation and discuss with stakeholders on a time horizon (short, medium, or long-term) for implementing recommendations.
2. The EEAS should ensure consultation with stakeholders as well as return visits and roundtables, and more precisely:
   a) systematically ensure that the Core Team consults stakeholders in the host country on the recommendations before the report is finalised;
   b) request that the outcome of EU EOM consultations with stakeholders be documented and stored centrally;
   c) clarify roles and responsibilities for organising the return visit;
   d) ensure that the stakeholder roundtable is scheduled at least four working days after the report is released, giving participants enough time to familiarise themselves with the report and its recommendations ahead of the meeting.

3. The EEAS should improve the follow-up and monitoring mechanisms of the elections, by:
   a) making reference in the Memoranda of Understanding to the fact that the upcoming EU EOM will submit recommendations, and emphasising their importance;
   b) Where a Chief Observer is unable to stay longer in the host country, he/she could use the option of delegating responsibility for chairing the roundtable to the Deputy Chief Observer;
   c) set up a centralised depository for EU EOM recommendations;
   d) track progress on implementing EU EOM recommendations on a regular basis;
   e) in the context of EU coordination, ask the EU Delegations to report regularly on the activities carried out in the host country to support implementation of the recommendations. This should feed into a lessons learned process on follow-up.

CONT Working document of 9/10/2018 on ECA Special Report 22/2017 (Discharge 2017): Election Observation Missions - efforts made to follow up recommendations but better monitoring needed

Rapporteur: José Ignacio Salafranca Sánchez-Neyra

3. Believes that election observation activities play a key role in public diplomacy by offering impartial assessment and constructive recommendations which can be followed up by national stakeholders, including civil society organisations;
4. Reminds that there is no ‘one-size-fits-all’ model to manage well the issue and that flexibility should be considered taking into account of the specificities of any host country;

5. Is of the opinion that direct stakeholder consultation on the possible recommendations of the EOM, before the finalisation of the report, is questionable and should not be an option under any circumstances for a Chief Observer with regard to the independence of the EOM;

6. Is of the opinion that the follow-up to EOM should be further enhanced within political dialogues including the participation of the EP ad hoc delegations and, by possibly exploring new ways such as electoral dialogues for enriching the overall electoral observation process, in particular the factual assessment of an election process;

7. Invites the EEAS to follow as much as possible the effective implementation in third countries of the EOM’s recommendations, while respecting the sovereignty of each country and involving Parliament, and also by allocating a sufficient level of human resources from Union’s delegations with adequate technical expertise to this important political task, necessary in some areas identified by the EOM;

8. Believes that it would be useful to consider involving the Chief Observer at an early stage in setting up the EOM core team (particularly for certain functions such as the political advisor, the electoral expert or the deputy chief of the EOM) with the view to facilitate rapid, more efficient and consistent deployment of EOMs;

9. Considers that the creation of a database, in that context, for the EU EOM missions is a valuable operational option to consolidate the credibility and transparency of this EU instrument and process on mid-long term;

10. Requests, as a general matter, to put more emphasis on the sustainability of EIDHR funded actions, particularly in the context of Election Observation Missions, where there is significant scope for stepping up the transfer of knowledge to local actors and improving the follow-up to recommendations.

### Related EP Reports / Resolutions of other committees


40. Emphasises the significance of free and fair elections for democratic processes and is concerned at the growing number of illegitimate elections around the world; recalls that independent media and diversity of opinion are essential in guaranteeing free and fair elections; calls for the EU not to recognise the results of rigged or falsified elections and to use all the diplomatic, economic and policy tools at its disposal to uphold the credibility of elections around the world and compel countries to meet the free and fair election criteria; considers that the support the EU provides
for electoral processes and democracy around the world – its electoral missions and subsequent follow-up, its electoral assistance and, in particular, the active role played by Parliament in this regard – is of the utmost importance; stresses the importance of electoral observation in the context of peaceful democratic transitions, of strengthening the rule of law, of political pluralism and increasing the participation of women in electoral processes, and of transparency and respect for human rights; recalls the importance of involving local civil society organisations in the election observation process and in the implementation of the recommendations issued by election observation missions; considers that interference in other countries’ elections through cyber operations violates the right of people to freely elect their representatives.

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European Parliament Annual report on human rights and democracy in the world 2013 and the European Union’s policy on the matter 2014/2216(INI)

[The European Parliament, ]

47. Stresses that democratic regimes are defined not only by the organisation of elections but also by respect for the rule of law, freedom of speech, respect for human rights, an independent judiciary and impartial administration; calls on the Commission and the EEAS to support ongoing democratic processes in third countries; emphasises, in this connection, the importance of following up on the reports and recommendations of election observation missions by using them as part of the EU’s engagement in support of democracy with the country concerned and by mandating the chief observer to exercise a special role in follow-up monitoring of the implementation of the recommendations, as a coherent part of Parliament’s comprehensive democracy support approach and with the support of Parliament’s standing bodies; notes the positive role that can be played by EU election observation missions in ensuring the EU’s credibility as a partner;

49. [...] calls for systematic EU support for freely and fairly elected parliaments; stresses the need to invest in political dialogues between ruling and opposition parties;

56. Stresses the importance of strengthening the role of women in promoting human rights and democratic reform, supporting conflict prevention and consolidating political participation and representation; also notes, in this connection, that the recommendations made in the reports of EU election observation missions concerning full and equal participation by women in the electoral process should be taken into account and acted upon.

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Annual report on human rights and democracy in the world 2014 and the European Union’s policy on the matter 2015/2229(INI)

[The European Parliament, ]
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The EU utilises election observers such as the Organisation for Security and Cooperation in Europe (OSCE).

What criteria are used to decide which countries shall receive election observation missions deployed by the EU? Do the wishes of opposition parties figure in the deployment decisions?

How does this provision to protect opposition parties differ from the criteria that the OSCE uses to decide whether observation missions shall be deployed?

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**VP/HR - Free elections in Venezuela, E-007880/2017, Question for written answer to the Commission, Rule 130, José Ignacio Salafranca Sánchez-Neyra (EPP)++, 20-12-2017; Cambodia: Kem Sokha, upholding democracy and freedom of the press, EU election observation**
mission as a pre-requisite for funding, E-005683/2017, Question for written answer to the Commission, Rule 130, Ramon Tremosa i Balcells (ALDE)++, Marisa Matias (GUE/NGL), 13-09-2017; VP/HR — Follow up to Question E-001165/2017 — observation mission for next year's national elections in Cambodia and guarantees for opposition leader, E-004067/2017, Question for written answer to the Commission, Rule 130, Ramon Tremosa i Balcells (ALDE), ++, Marisa Matias (GUE/NGL), Norica Nicolai (ALDE), 20-06-2017; VP/HR — Democracy in Belarus, E-007497/2016, Question for written answer to the Commission, Rule 130, David Casa (EPP), 30-09-2016; VP/HR — Election observation mission to Morocco, September 2015, E-014504/2015, Question for written answer to the Commission, Rule 130, Lola Sánchez Caldentey (GUE/NGL)++, 06-11-2015; International observation of parliamentary elections in Venezuela, E-013271/2015, Question for written answer to the Commission, Rule 130, Luis de Grandes Pascual (EPP)++, 30-09-2015; VP/HR - Elections in Nigeria, Question for written answer to the Commission, E-001347/2015, Question for written answer to the Commission, Rule 130, Maite Pagazaurtundúa Ruiz (ALDE), 30-01-2015; Development assistance and political parties in Nigeria, E-006896/2014, Question for written answer to the Commission, Rule 130, Franz Obermayr (NI), 15-09-2014

The above questions concerned the use, the outcome or the findings of EU Election Observation Missions in five foreign countries, namely Venezuela, Cambodia, Belarus, Morocco and Nigeria. These questions were raised in order to learn about the EU monitoring of elections that took place in politically unstable or unfair contexts.

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Cambodia: Kem Sokha, upholding democracy and freedom of the press, EU election observation mission as a pre-requisite for funding, E-005683/2017, Question for written answer to the Commission, Rule 130, Ramon Tremosa i Balcells (ALDE)++, Marisa Matias (GUE/NGL), 13-09-2017; VP/HR — Follow up to Question E-001165/2017 — observation mission for next year's national elections in Cambodia and guarantees for opposition leader, E-004067/2017, Question for written answer to the Commission, Rule 130, Ramon Tremosa i Balcells (ALDE)++, Marisa Matias (GUE/NGL), 20-06-2017; VP/HR — election observation missions in Africa, E-006511/2014, Question for written answer to the Commission, Rule 130, Louis Michel (ALDE), 03-09-2014

These questions dealt with the impact of EU election observation missions on the democratisation process in Cambodia, Azerbaijan and Nigeria. For instance, they asked about the contribution of such monitoring to more transparent, free and inclusive elections. One of the questions inquired about the deployment of EOM in a number of African countries prior to the domestic presidential or local elections (VP/HR — election observation missions in Africa, E-006511/2014).

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Reinforcement of the delegation of election experts for the elections in Colombia, P-003154/2018, Question for written answer to the Commission, Rule 130, Younous Omarjee (GUE/NGL), 12-06-2018; VP/HR - Decision not to send an election observation delegation for the
presidential elections in Colombia, E-003063/2018, Question for written answer to the Commission (Vice-President/High Representative), Rule 130, Ana Miranda (Verts/ALE)++, 05-06-2018; VP/HR - The situation in Kenya, P-000886/2018, Question for written answer to the Commission (Vice-President/High Representative), Rule 130, Marietje Schaake (ALDE), 13-02-2018; VP/HR - Situation in Kenya, E-000391/2018, Question for written answer to the Commission (Vice-President/High Representative), Rule 130, Marlene Mizzi (S&D), 24-01-2018; P/HR - Ensuring democratic elections in Azerbaijan on 1 November 2015, E-014124/2015, Question for written answer to the Commission (Vice-President/High Representative), Rule 130, Monica Macovei (ECR), 23-10-2015; VP/HR - Elections in Nigeria, Question for written answer to the Commission (Vice-President/High Representative), E-001347/2015, Question for written answer to the Commission, Rule 130, Maite Pagazaurtundúa Ruiz (ALDE), 30-01-2015

These questions were about the Vice-President/High Representative’s view and intentions with respect to the elections that took place in 2015 in Azerbaijan, Kenya and in Nigeria and which were preceded by undemocratic practices by the local authorities.

The two questions concerning Colombia lamented the fact that the European Union did not send a long-term election observation mission in view of the presidential elections, given the delicate situation and the fact that Civil Society Organisations had revealed evidence of fraud in the first round of the 2018 presidential elections.
### Special report 23/2017 of 19 December 2017

**Single Resolution Board: Work on a challenging Banking Union task started, but still a long way to go**

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<td>Special report No 23/2017: Single Resolution Board: Work on a challenging Banking Union task started, but still a long way to go</td>
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<td><strong>Summary</strong></td>
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#### Questions asked:

The audit examined whether the Single Resolution Board (SRB) is equipped to carry out bank resolutions effectively. In particular, it analysed:

(a) the quality of the SRB’s resolution planning for individual banks;

(b) whether the SRB is adequately set up to comply with its statutory framework for resolution planning;

(c) whether the SRB has adequate human resources to carry out the tasks entrusted to it and whether the cooperation framework is adequate.

The criteria used were derived from: (a) legal requirements in the SRM Regulation and the Bank Recovery and Resolution Directive (BRRD); (b) the Commission Delegated Regulation specifying the content of resolution plans; (c) the Financial Stability Board list of key attributes of effective resolution regimes for financial institutions; and (d) the four lines of defence model from the Financial Stability Institute.

The audit evidence consists of information gathered through meetings and interviews with SRB staff, as well as the review of internal SRB documentation, publicly available data, SRB representations and a survey of 20 national resolution authorities (NRAs).

#### Findings:
1. SRB’s resolution plans did not meet the requirements of the Single Rulebook in the areas of Strategic business analysis, Resolution strategy’s identification, Financial and operational continuity, Assessment of resolvability, Management summaries, and Disclosure of resolution plans

2. Resolution planning guidance needs improvement
   a) Updates and improvements are needed to manuals and templates
   b) Since the SRB’s policy guidance on key topics was still in progress, it was evaluated that it would be difficult to include it in 2017 resolution plans
   c) No evidence was found that tests on idiosyncratic (bank-specific) failure, or failure at a time of broader financial instability or other system-wide events had been carried out, nor any description of the assumed scenarios for the sampled plans
   d) Different interpretations of the existing legislation and the absence of a harmonised methodology had led to inconsistencies between plans and an insufficient level of detail

3. The SRB is seriously understaffed
   a) A lack of prioritisation of recruitment, which is necessary in the start-up phase, was identified
   b) Staff shortages in resolution planning directorates have significantly affected the resolution planning process, impacting particularly the workload of internal resolution team coordinators and the inadequacy of the IT system
   c) Due to understaffing, important work on policies and guidelines has not been completed

4. Cooperation framework with NRAs and the ECB needs improvement
   a) The division of tasks between SRB and NRAs is still unclear
   b) The Memorandum of Understanding (MoU) and its annexes are not comprehensive enough to ensure that: (i) the SRB has all the information it requires from the ECB to perform its tasks in a timely and efficient manner; (ii) the SRB will receive information from the ECB’s crisis management division
   c) So far the SRB has neither conducted any on-site inspections nor participated in those of the ECB
   d) The two authorities’ mandates assignment creates incongruences, since the SRB is not granted access to the relevant information on the 15 cross-border less significant banks that it is responsible for by the ECB
Concerning crisis management, cooperation and exchange of information are undermined by the fact that the SRB has not the status of permanent observer at the ECB’s Supervisory Board meetings, and is thus reliant on the ECB’s invitation (whereas the ECB has the permanent observer status at all sessions of the SRB).

Recommendations:

1. The SRB should complete its resolution planning for the banks under its remit as follows:
   a) as soon as possible but not later than June 2018, determine a date for the completion of a fully compliant resolution plan for each bank under its remit, using a prioritised approach to ensure a high level of preparedness for more risky banks, as well as an action plan for timely implementation;
   b) as soon as possible but not later than end-2018, include a specific statement on resolvability in all resolution plans, and inform the EBA immediately if it deems a bank not to be resolvable;
   c) as soon as possible but not later than end-2018, assess, in every resolution plan, the feasibility and credibility of the selected resolution strategy, taking into account whether it can be applied effectively and in a timely manner. To assess credibility, the SRB should examine the possible impact of selected resolution tools on other financial institutions, SMEs and retail investors. The SRB should require banks to conduct tests to show that liabilities can be effectively bailed in within the timeframe envisaged by the resolution plan.

2. The SRB should finalise its system of rules for resolution planning before June 2018. Specifically, it should:
   a) prepare clear and consistent policies on MREL and substantive impediments, taking into account the current EU regulatory framework. The policies should be applied in all resolution plans as a means of ensuring that banks under the SRB’s remit have enough loss-absorbing capacity;
   b) update the resolution planning manual at least annually to reflect major policy changes, developments in the legislative framework and experience gained, and declare the resolution planning manual binding;
   c) include in the resolution planning manual guidance in respect of all resolution scenarios required under the BRR Directive.

3. The SRB should accelerate its recruitment efforts and staff the HR function appropriately to cope with the demands of recruitment. Particular attention should be paid to engaging resolution and policy experts, including at a more senior level. If staffing targets cannot be met, or if interim measures are required, the SRB should consider alternative solutions, such as increased secondments or outsourcing.
4. The SRB should:
   a) as soon as possible, clarify the operational distribution of tasks and responsibilities with NRAs;
   b) not later than end 2018, ensure that internal resolution teams are adequately staffed, including by urging NRAs to assign additional staff where appropriate;
   c) as soon as possible and then on a regular basis, regularly conduct dry-runs of a bank resolution, and should ensure that NRAs are fully involved in these.

5. As part of ongoing discussions with the ECB, but not later than March 2018, the SRB should engage with the ECB with a view to adjusting the MoU to ensure that it receives all information necessary to its resolution function. If amended, the MoU should be published as required by the legislative framework.

6. In the light of its experience to date with putting the current framework into practice, by March 2018 the SRB should:
   a) invite the legislator to adjust the relevant regulations in order to align the mandates of supervisor and resolution authority regarding cross-border less significant banks or otherwise to ensure a full information flow to the SRB;
   b) invite the legislator to make the flow of information from the supervisor, on banks at risk and other ongoing developments affecting the SRB’s remit, more automatic than at present;
   c) invite the legislator to consider also making the moratorium tool available to the SRB.

**CONT Committee Working Document; Rapporteur**


Rapporteur: Inés Ayala Sender

(Recommendations by the rapporteur,)

The European Parliament:

2. Criticises the SRB for not having provided all documentation requested in the course of this audit; reminds the SRB that the TFEU allows the European Court of Auditors full access to such documentation of the auditee as is necessary for the audit;
3. Encourages the SRB to improve its compliance with the Single Rulebook;
4. Urges the SRB to set a date by which the first resolution plan for each bank is to be drawn up; is concerned about the risks to assess, in every resolution plan, the feasibility and credibility of the selected resolution strategy, taking into account whether it can be applied effectively and in a timely manner; calls on the SRB to require banks to conduct tests to show that liabilities can be effectively bailed in within the timeframe envisaged by the resolution plan;

5. Invites the SRB to finalise its system of rules for resolution planning, including the preparation of clear and consistent policies on minimum requirements for own funds and eligible liabilities so as to ensure that banks under the SRB’s remit have enough loss-absorbing capacity;

6. Deplores that the SRB has been understaffed since it became operationally independent; calls on the SRB to accelerate its recruitment efforts, in particular by engaging resolution and policy experts, including at senior level;

7. Regrets that the cooperation framework between the National Resolution Authorities and the SRB is still unclear; is concerned about the risks of poor performance enhancement when assessing a bank crisis in the Member States; calls on the SRB to improve the operational distribution of tasks and responsibilities;

8. Is concerned about the current Memorandum of Understanding between the SRB and the European Central Bank which does not ensure that the SRB receives all information from the ECB on a consistent and timely manner; calls on the SRB to engage into discussion with the ECB to improve the situation;

9. Is of the opinion that the SRB forms part of a strong banking union with a strong regulation and supervision of banks and an important step towards a structural and coherent institutional framework endowed with adequate resources and democratic legitimacy in order to stabilize the financial sector and prevent a future crisis; nevertheless sees the need for adjustments that will enhance the effectiveness of the work of SRB and its systemic contribution.

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<td>[The European Parliament, ]</td>
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<tr>
<td>1. [...] recalls that the completion of the Banking Union, including a European Deposit Insurance Scheme and a fiscal backstop for the Single Resolution Fund, must continue as well as measures to achieve risk reduction, which contributes to further increasing financial stability and growth prospects;</td>
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<tr>
<td>10. Notes the results of the EBA's EU-wide stress test; welcomes the inclusion of level 2 and level 3 instruments in the scope of 2018 stress tests; believes that stress tests should be interpreted in combination with other on-going supervisory monitoring activities; calls on the Single Supervisory Mechanism (SSM), EBA and ESRB to use consistent methodologies when defining the stress test in order to ensure a high level of transparency on this procedure and in order to prevent possible distortions;</td>
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<tr>
<td>12. Welcomes the Commission proposal to strengthen the role of the EBA in the fight against money laundering in the financial sector; calls on the co-legislators to adopt the proposal without undue delay and urges the need for enhanced cooperation and information sharing between national</td>
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supervision authorities based on common standards within the EU and subject to EU-level coordination and support where national authorities are overwhelmed;

21. Recalls the initial debate on the role of the ECB as both monetary and supervisory authority; considers that, overall, the ECB has succeeded in keeping the two roles separate; believes, however, that further debate is necessary to avoid the risk of a conflict of interests between the two tasks; stresses the importance of the cooperation between the EBA as a regulatory authority and the SSM as a supervisory authority within the Banking Union, while respecting the division of responsibilities;

23. Notes the agreement reached at the Euro Summit meeting of 29 June 2018 that the European Stability Mechanism (ESM) will provide the common backstop to the Single Resolution Fund (SRF) and that the ESM will be reformed to provide effective stability support based on strict conditions ensuring responsibility, accountability and the principle of moral hazard prevention as well as safeguarding the principle that taxpayers are not liable for banking risks; recalls Parliament’s position that this mechanism should be fully incorporated into the Union’s institutional framework and stresses the need for proper democratic scrutiny;

27. Stresses the importance of access to liquidity for banks in resolution, during and immediately after resolution proceedings; follows with interest ongoing debates on a possible tool for the provision of liquidity in resolution;

30. Welcomes the revised memorandum of understanding between the ECB and the Single Resolution Board (SRB); stresses that a streamlined and in some cases automated exchange of information increases efficiency and helps to ensure that the reporting burden on banks is kept to a minimum.


2. Takes note of the ECB’s ‘failing or likely to fail’ assessments in the 2017 banking cases; notes also that the supervisory and single resolution mechanisms have overall been working in this context, and agrees with the Commission that the procedures leading to decisions as to whether or not a bank is ‘failing or likely to fail’ need to be improved;

4. Stresses the importance of the cooperation between the EBA as a regulatory authority and the SSM as a supervisory authority; draws attention, in this respect, to the division of responsibilities between the ECB and the EBA and to the difference in the geographical scope of activities of each institution; recommends, in this regard, that concrete coordination of the initiatives to be taken by both institutions be improved wherever practicable in order to ensure the consistency of the single rulebook, while acknowledging that the SSM should play a leading role when Banking Union-specific issues or regulatory gaps are identified;
5. Welcomes the fact that the Banking Union has improved the exchange of relevant information between supervisory authorities and has improved the collection and exchange of data on the European banking system, contributing for example to better benchmarking and enabling a more holistic supervision of cross-border banking groups; welcomes the excellent work of the JSTs; notes that the Commission has identified areas for improvement concerning exchange of information and coordination between the ECB’s banking supervision and the SRB, in particular as regards the crucial issues of whether an institution is eligible for precautionary recapitalisation and whether it is failing or likely to fail; notes that the current memorandum of understanding between the ECB and the SRB is not comprehensive enough to ensure that the SRB has all the information it requires from the ECB to perform its tasks in a timely and efficient manner; invites the ECB and the SRB to use the opportunity offered by the current discussions on the update of the memorandum of understanding between them in order to close existing gaps and improve the effectiveness of resolution actions; calls for an improvement of the practical modalities of cooperation and exchange of information between supervisory and resolution authorities, which is crucial for the smooth and effective conduct of resolution actions, and between all European and national bodies involved in early intervention and resolution; calls on the ECB and the SRB to keep improving their day-to-day cooperation and strengthening their working relationship; would welcome, in this respect, change in the relevant SSM Regulation to allow a representative of the Single Resolution Board to be a permanent observer at meetings of the Supervisory Board of the SSM; calls for an interinstitutional agreement between the ECB and the ECA to specify the exchange of information between both institutions in respect of their respective mandates as defined in the Treaties;

19. Acknowledges that the high costs of implementing supervision requirements can be especially difficult to handle for smaller banks; considers that the proportionality principle could be better taken into account in certain supervision arrangements by the ECB when carrying out its supervisory activities; stresses, therefore, the urgent need for further efforts to make banking supervision arrangements more proportionate for small, low-risk institutions; emphasises that improving proportionality by no means implies lowering supervisory standards, and that, rather, it simply means that the administrative burden, in terms of compliance and disclosure requirements, for example, will be lessened; welcomes, therefore, the Commission’s reply to the Banking Union Annual Report 2016, which shares Parliament’s view that reporting requirements should be streamlined, as well as the efforts of the Commission to introduce more proportionality in supervision;

30. [...] calls on the SRB and the Commission to jointly publish a summary of the issues most criticised by the legal applications; considers that the 2017 banking cases raise questions in terms of transparency and communication, and asks for more transparency in future resolution decisions, including access for the European Parliament, under clear and appropriate conditions, to key documents informing resolution decisions, such as the valuation reports by independent valuers, in order to better understand ex ante the resolution regime; [...];

38. Recalls that the substance of the Intergovernmental Agreement on the Single Resolution Fund (SRF) is ultimately to be incorporated into the Union legal framework; recalls that a fiscal backstop is key to ensuring a credible and efficient resolution framework and the ability to cope with systemic crises in the Banking Union, as well as to avoiding recourse to publicly-funded bank bailouts; notes the Commission’s proposal to transform the European Stability Mechanism into a European Monetary Fund, which would host the fiscal backstop function to the SRF;
39. Welcomes the work done by the SRB in building up its capacity for bank resolution at the Union level; notes, however, that resolution planning is currently still very much a work in progress; also notes that the SRB is significantly understaffed; calls on the SRB to intensify its recruitment efforts and on national authorities to make seconded experts easily available to the SRB; recalls, in this respect, the need, within the SRB, for an appropriate balance between staff from the central level and staff from national resolution authorities, as well as the need for a clear division of labour between the SRB and national resolution authorities; [...].

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[The European Parliament, ]

17. Highlights the limitations of the current stress test methodology; welcomes, therefore, the EBA’s and ECB’s efforts to pursue improvements to the stress testing framework; believes, however, that more should be done to better reflect the possibility and reality of real crisis situations by, inter alia, better incorporating more dynamic elements, such as contagion effects, in the methodology; considers that the lack of transparency characterising the ECB’s own stress tests imply uncertainty in supervisory practices; calls on the ECB to publish the results of its stress test exercise to foster market confidence;

20. Takes note of the report of the European Court of Auditors (ECA) on the functioning of the SSM; takes note of the findings concerning the insufficient level of staffing; calls on NCAs and Member States to fully provide the ECB with the necessary human resources and economic data enabling it to do its job, in particular as regards on-site inspections; calls on the ECB to amend the SSM Framework Regulation in order to formalise commitments by participating NCAs and to implement a risk-based methodology to determine the target number of staff and the composition of skills for Joint Supervisory Teams; takes the view that more involvement of ECB personnel and less reliance on staff from NCAs would improve the independence of supervision, together with the use of staff from the competent authority of one Member State to supervise an institution from another Member State, which also contributes to effectively addressing the risk of supervisory forbearance; welcomes the ECB’s cooperation with the European Parliament on staff working conditions; calls on the ECB to promote a good working environment that fosters professional cohesion within it; recalls the potential conflict of interest between supervisory tasks and responsibility for monetary policy, and the need for a clear separation between both sets of functions; calls on the ECB to perform a risk analysis on possible conflicts of interest and to envisage separate reporting lines where specific supervisory resources are concerned; believes that, while the separation of monetary policy and supervision is a central principle, it should not preclude cost savings enabled by the sharing of services, provided such services are non-critical in terms of policymaking and proper guarantees are established; calls on the ECB to hold public consultations when drafting quasi-legislative measures in order to enhance its accountability;
24. [...] points out that all banks should be subject to an appropriate level of supervision; recalls that appropriate supervision is key to monitoring all risks whatever the size of the banks; respects the division of roles and competences between the SRB, the EBA and other authorities within the European System of Financial Supervision, while underlining the importance of effective cooperation; sees the need to overcome the proliferation of overlapping reporting requirements and national interpretations of European laws in a common market; supports the streamlining efforts made to date, such as the idea behind the European Reporting Framework (ERF), and encourages further efforts in this direction to avoid double reporting and unnecessary additional costs of regulation; calls on the Commission to address the issue in due course, in line with its conclusions from the call for evidence, for instance through a proposal for a common unitary and consolidated supervisory reporting procedure; calls as well for the timely announcement of ad hoc and permanent reporting requirements so as to ensure high data quality and planning security;

25. Underlines that the safety and soundness of a bank cannot be captured by a point-in-time assessment of its balance sheet alone, as they are ensured through dynamic interactions between the bank and the markets, and affected by various elements in the entire economy; underlines, therefore, that a sound framework for financial stability and growth should be comprehensive and balanced so as to cover dynamic supervisory practices and not focus merely on static regulation with mainly quantitative aspects;

26. Draws attention to the division of responsibilities between the ECB and the EBA; stresses that the ECB should not become the de facto standard-setter for non-SSM banks;

30. [...] stresses that the establishment of the Banking Union reinforces the need to strengthen macro-prudential policy at the European level in order to properly address potential cross-border spillovers of systemic risk; encourages the Commission to propose a coherent and effective macroprudential supervision in its overall review of the macroprudential framework in 2017; [...] considers that borrowing based instruments (such as LTVs and DSTIs) should be embedded in European legislation so as to ensure harmonisation in the use of these additional types of macroprudential instruments; highlights the need to reduce the institutional complexity and lengthy process in the interaction between ESRB, ECB/SSM and national authorities, and between competent and designated national authorities, in the field of macroprudential supervision; welcomes, in this regard, the progress already made on cross-border coordination by the ESRB recommendation on voluntary reciprocity; reiterates its call for the clarification of the linkages between the macroprudential framework and existing microprudential tools, in order to ensure effective interaction of macroprudential and microprudential policy instruments; expresses concern about the vulnerabilities in the real estate sector identified by the ESRB; notes that the EBA is still to deliver RTSs on the condition of capital requirements for mortgage exposure under Articles 124(4)(b) and 164(6) CRR; notes that only a small number of SSM members have activated or plan to activate general systemic risk buffers and a counter-cyclical capital buffer until now; notes that the ECB has so far not fully exercised its macroeconomic supervisory powers by fostering the adoption of macroprudential supervisory instruments by national authorities;

33. Welcomes the fact that the Banking Union has widely eliminated the home-host issue in supervision, by the establishment of a single supervisor and the greatly improved exchange of relevant information between supervisory authorities, enabling a more holistic supervision of cross-border
banking groups; stresses that, owing to the current incomplete state of the Banking Union, the CRR review on liquidity and capital waivers needs to appropriately take into account consumer protection concerns in host countries;

38. Recalls the need to adhere to state aid rules when dealing with future banking crises, and that the exception of extraordinary public support must be both precautionary and temporary in nature and cannot be used to offset losses that an institution has incurred or is likely to incur in the near future; calls for the definition of efficient procedures between the SRB and the Commission for decision-making in the event of a resolution, especially concerning the timeframe; takes the view that the flexibility embedded within the current framework should be clarified, and recalls that it should be better exploited in order to address specific situations, without hindering genuine resolution of banks which are insolvent, in particular in the case of preventive and alternative measures involving the use of DGS funds provided for in the Deposit Guarantee Schemes Directive (DGSD) Article 11(3) and (6); calls on the Commission, therefore, to reconsider its interpretation of the relevant state aid rules in an effort to guarantee that the preventive and alternative measures provided for by the European legislator in the DGSD can actually be implemented; notes that specific situations have been treated differently without clear justification; reminds the Commission that a report assessing the continuing need for allowing precautionary recapitalisations and the conditionality attached to such measures was due by 31 December 2015; calls on the Commission to submit such a report as soon as possible;

44. Stresses that it is crucial to harmonise the hierarchy of claims in bank insolvency across Member States, in order to make the implementation of the BRRD more consistent and effective and to provide certainty to cross-border investors; welcomes, therefore, the Commission’s proposal to go further in the harmonisation of the hierarchy of claims; notes that better harmonisation of the regular insolvency regime and of its hierarchy of claims will also be essential, both, in the case of banks, to avoid discrepancies with the bank resolution regime, and, in the case of companies, to provide additional clarity and certainty to cross-border investors and contribute to addressing the issue of NPLs; welcomes the fact that the BRRD has brought an important change in the hierarchy of insolvency, giving priority to insured deposits, so that they rank senior to all capital instruments, loss-absorbing capacity, other senior debt and uninsured deposits; calls on the SRB to present the results of the resolvability assessments for G-SIBs and other banks, including the proposed measures to overcome impediments to resolution;

49. Points out that swift and effective exchange of information between supervision and resolution authorities is paramount in order to ensure smooth crisis management; [...] calls on the ECB to specify in the MoU the communication procedures between joint supervisory teams and internal resolution teams; recommends that the attendance of the ECB as a permanent observer at the SRB Plenary and Executive Sessions be made fully reciprocal by allowing a representative of the SRB to attend the Supervisory Board of the ECB, also as a permanent observer;

53. [...] notes [...] that 15 out of 19 euro area Member States have already signed a harmonised Loan Facility Agreement with the SRB; recalls that these individual credit lines will only be available as a last resort; is of the opinion that this solution is not sufficient to overcome the bank-sovereign vicious circle and end taxpayer-funded bailouts; calls for rapid progress in the work by the Council and the Commission on a common fiscal backstop
for the SRF, the ultimate liability for the financing of which should rest with the banking sector and which should be fiscally neutral over the medium term, as agreed within the agreement on the SRF and confirmed by the European Council in June 2016.

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**European Parliament resolution of 10 March 2016 on the Banking Union – Annual Report 2015 (2015/2221(INI))**

[The European Parliament, ]

34. Underlines that the SSM and SRM represent a step in the direction of a common market for banking services, making cross-border consolidation more appealing; believes that the introduction of a financial stability and resolvability assessment in the Qualifying Holdings Directive is necessary to avoid new too-big-to-fail problems that may be produced due to a higher number of mergers and acquisitions;

36. Believes that the ECB's supervisory strategy, while avoiding any differentiation along national lines, should reflect and safeguard pluralism and diversity of banking models across the EU, including authentic and healthy mutual, savings and cooperative banks, and should comply with the principle of proportionality;

39. Welcomes the efficient and open way in which the ECB has so far fulfilled its accountability obligations towards Parliament, and calls on the ECB to continue to fully engage in this regard and to further contribute to improving Parliament's capacity to assess SSM policies and activities; views favourably the willingness of the ECB President to further cooperate with Parliament regarding the ECB's role in banking matters, in particular in the framework of global standards-setting bodies such as the FSB;

41. Underlines the importance of cooperating with the Single Resolution Board (SRB), the European Banking Authority (EBA) and other authorities within the European System of Financial Supervision, while fully respecting the division of roles and competences and the separation between regulation and supervision in order to help ensure compliance with the EU checks-and-balances structure; stresses in particular that the EBA, with its explicit consumer protection mandate, must enforce and enhance the consumer protection framework for banking services, complementing the SSM's prudential supervision, and in the Union as a whole;

44. Highlights the importance of establishing efficient cooperation between the SRB and the NRAs for the smooth functioning of the SRM; considers Internal Resolution Teams (IRTs), as an equivalent to the SSM's JSTs, to be a good basis for organising cooperation within the SRM;

45. Encourages the conclusion of a memorandum of understanding (MoU) on mutual cooperation and data sharing between the SRB and the ECB as a single supervisor, in order to increase efficiency and avoid double reporting for banks, while allowing the SRB to have access to the SSM data needed for it to fulfil its institutional mandate; underlines the importance of smooth cooperation between the SRM and the national competent authorities (NCAs);
46. Underlines the discrepancy between banks directly supervised by the SSM and banks under the direct responsibility of the SRB (including other cross-border groups) and its potential consequences in terms of the SRB’s access to information;

47. Calls for specific arrangements to be created within the Commission and between the SRB and the Commission in order to define efficient procedures for decision-making in the event of resolution;

48. Encourages the conclusion of cooperation agreements between the SRB and the NRAs of non-participating Member States and third countries for effective mutual cooperation and information exchange;

50. Calls for timely progress to be made in drawing up resolution plans and setting a minimum requirement for own funds and eligible liabilities (MREL) for institutions falling within the scope of the SRM, in order to be able to ensure an orderly resolution of failing banks with a minimum impact on the real economy and public finances; calls on the Commission to swiftly adopt the regulatory technical standard on MREL, with a high binding standard of at least 8 % MREL for all SRB banks, in line with the Bank Recovery and Resolution Directive (BRRD) (Directive 2014/59/EU of the European Parliament and the Council of 15 May 2014) and minimising the chances of loss of SMEs’ uncovered deposits; takes note of the ongoing work on the implementation of Total Loss Absorbing Capacity (TLAC) and calls on the Commission to ensure consistency with MREL.

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European Parliament resolution of 19 January 2016 on stocktaking and challenges of the EU Financial Services Regulation: impact and the way forward towards a more efficient and effective EU framework for Financial Regulation and a Capital Markets Union (2015/2106(INI))

[The European Parliament, ]

14. Stresses the need for consistency in the risk-based approach, and thus also for reduced opportunities for regulatory arbitrage; stresses the need to break the link between sovereigns and banks at national level through full and consistent national implementation of the Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism (SRM) and Single Resolution Fund (SRF) provisions; takes note of the contributions of the Basel Committee on Banking Supervision (BCBS) and the European Systemic Risk Board (ESRB) on sovereign debt exposure of banks, which include careful consideration of the next steps; stresses that policies should explicitly take into account the interactions between both individual and endogenous risk, in particular when financial institutions use the same regulator-approved standard risk models;

24. Notes the achievements in establishing a banking union and stresses its crucial role in addressing interdependencies between sovereign and bank risks and reducing systemic risks through joint action; takes note of the step-by-step completion of the banking union; stresses that full and timely implementation of the existing legislation is required; notes the discussions on a European Deposit Insurance Scheme (EDIS), on which Parliament will have its say as co-legislator; emphasises the aim of avoiding moral hazard, ensuring that the principle of liability remains a guiding
Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

theme; criticises the low sensitivity to risk in the calculation of contributions to the SRF; recognises the efforts to conclude the Regulation on Bank Structural Reform;

26. Reiterates the need for a level playing field within the EU, including with regard to SSM-supervised banks and the banks of non-participating Member States, and encourages the full inclusion of non-euro Member States into the Banking Union, while recognising that certain elements currently provide for voluntary participation; calls on the Commission to ensure that the single market continues to be developed, while recognising national specificities; calls on the Commission to further pursue a strong approach, in terms of regulation and supervision, to 'parallel' or 'shadow banking' with the aim of mitigating systemic risks and improving transparency; welcomes the major steps achieved in European insurance regulation by the application of Solvency II, as of 1 January 2016, which has to be assessed and possibly developed further, while considering the international framework for global systemically important insurers.

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European Parliament resolution of 16 February 2017 on improving the functioning of the European Union building on the potential of the Lisbon Treaty (2014/2249(INI))

[The European Parliament,]

72. Believes that the single market is one of the cornerstones of the EU and is fundamental for prosperity, growth and employment in the Union; points out that the single market, which offers tangible benefits to both companies and consumers, contains a growth potential that has not yet been fully exploited, particularly with reference to the Digital Single Market, financial services, energy, the banking union and the capital markets union; calls, therefore, for closer control of the correct application and better enforcement of the existing acquis in these domains.

Oral / Written Questions

| Oral / Written Questions | Single Resolution Board's decision to dispensing with Deloitte's ex-post definitive evaluation of Banco Popular, E-005348/2018, Question for written answer to the Commission, Rule 130, Jonás Fernández (S&D), 19-10-2018; Transparency in the Commission: SRB approval of Banco Popular resolution and access to related documents, E-007501/2017, Question for written answer to the Commission, Rule 130, Ramon Tremosa i Balcells (ALDE), 05-12-2017; Deloitte report, P-005359/2017, Question for written answer to the Commission, Rule 130, Santiago Fisas Ayxelà (PPE), 30-08-2017; Banco Popular resolution, E-004736/2017, Question for written answer to the Commission, Rule 130, Maria Lidia Senra Rodríguez (GUE/NGL), 12-07-2017; Resolution decision for Banco Popular, P-003800/2017, Question for written answer to the Commission, Rule 130, Ernest Urtasun (Verts/ALE), 08-06-2017 |

Five questions related to the Banco Popular resolution. In particular, one pointed out that the Commission and the SRB’s repeated refusal to allow either Parliament or Banco Popular investors to have access to resolution-related documents is in direct contradiction of Article 42 of Regulation No 806/2014, which clearly states that the SRB 'should be accountable to the European Parliament and to the Council for any decisions taken on the
basis of this regulation’ (Transparency in the Commission: SRB approval of Banco Popular resolution and access to related documents, E-007501/2017). Question P-005359/2017 indicated that the Deloitte report concerning the resolution of the Banco Popular was not made public either, with the motivation that it ‘contains too much confidential information’. According to the speaker, this lack of transparency meant total legal uncertainty for those affected (Deloitte report, P-005359/2017). Another question investigated about the compliance of the SRB’s with Recital 90 of Regulation (EU) No 806/2014 stating that the ‘Board should instruct the national resolution authorities to ensure that the representatives of the employees of the entities concerned are informed and, where appropriate, are consulted’. Furthermore, it asked if the Banco Santander, the purchaser, was required to submit a restructuring plan to the European Commission, including details of any staff restructuring (Banco Popular resolution, E-004736/2017). Question P-003800/2017 stated that ‘there is evidence of mis-selling practices and investors’ rights enshrined in EC law being breached in some of the subordinated debt instruments which will be converted into shares and, de facto, lose all nominal value’ (Resolution decision for Banco Popular, P-003800/2017).

Resolution of Banca Popolare di Vicenza, E-005947/2017, Question for written answer to the Commission, Rule 130, Barbara Kappel (ENF), 25-09-2017; Liquidation of Veneto Banca and Banca Popolare di Vicenza — financial stability and the public interest, E-004985/2017, Question for written answer to the Commission, Rule 130, Sven Giegold (Verts/ALE), 19-07-2017; Inconsistencies between the resolution mechanism and DG Competition, E-004961/2017, Question for written answer to the Commission, Rule 130, Miguel Viegas (GUE/NGL), 19-07-2017; Credibility of EU bank bail-in rules, E-004642/2017, Question for written answer to the Commission, Rule 130, Ramon Tremosa i Balcells (ALDE)++, 11-07-2017; Liquidation of Italian banks, E-004299/2017, Question for written answer to the Commission, Rule 130, Paul Tang (S&D), 28-06-2017; Criteria and legal references for defining a financial institution of systemic importance, E-004591/2017, Question for written answer to the Commission, Rule 130, Marco Zanni (ENF), 06-07-2017

Six questions related to two Italian banks’ liquidation in 2017. Question E-005947/2017 questioned the SRB’s choice of not taking resolution action in respect of Banca Popolare di Vicenza S.p.A. with the motivation that such resolution would not be in the public interest (and thus the condition of Article 18(1)(c) would not be met), also given that the Commission approved Italian state aid for the resolution of the bank under Italian insolvency law and that according to the Italian Government, resolution was in the public interest (Resolution of Banca Popolare di Vicenza, E-005947/2017). On the opposite side, question E-004985/2017 expressed reservations about the EC’s decision to approve state aid for Veneto Banca and Banca Popolare di Vicenza stating that it would have threatened financial stability and affected trade between Member States, thus hindering public interest (Liquidation of Veneto Banca and Banca Popolare di Vicenza — financial stability and the public interest, E-004985/2017). The inconsistency between the EC and the SRB’s definitions of ‘common interest’ was also reprimanded by questions E-004961/2017 and E-004591/2017. The former expressed concerns for the differences in treatment between the Italian banks and the Banco Popular (Inconsistencies between the resolution mechanism and DG Competition, E-004961/2017). Question E-004299/2017 expressed the concern that the SRB’s decision to begin Banca Popolare di Vicenza and Veneto Banca’s liquidation under Italian and not EC law was not in line with the spirit of the Banking Union, designed to limit
the exposure of taxpayers to the failings of private institutions. It also said the Italian Government’s decision to rescue the banks on the grounds that it is in the ‘common interest’ of Italy’s Veneto region to be at odds with the ECB assessment of 23 June of the resolution of the banks under the EU banking framework as not warranted in the public interest. Finally, it asked for clarifications on how the EC would have ensured that similar cases involving failing banks are dealt with in a similar way, irrespective of their physical location (Liquidation of Italian banks, E-004299/2017). Question E-004642/2017 underlined the contradiction between the initial ECB assessment that the two banks were solvent and the ECB statement that they were failing or likely to fail on the 23 June 2017. It was asked the EC to explain such a sudden insolvency, if it had an impact on the taxpayers, its assessment that the specific choice of Intesa as buyer was in conformity with EU competition rules and whether this has had any negative effects on financial stability and to contextualize these episodes in the Banking Union and the BRRD’s functioning (Credibility of EU bank bail-in rules, E-004642/2017).

Statements by the chair of the SRB regarding MPS rescue plan, E-008684/2016, Question for written answer to the Commission, Rule 130, Marco Zanni (EFDD)++, 18-11-2016

On 14 November 2016, the Monte dei Paschi di Siena bank (MPS) approved the terms of the proposal to convert subordinated bonds, on a voluntary basis, for 11 bond issues for the amount of EUR 4.3 billion, with the option (once the technical checks currently under way have been completed) of extending the conversion also to its so-called Fresh bonds worth EUR 1 billion. Two days later, the Chair of the SRB, Elke Koenig, declared that the planned solution was very difficult and that we therefore had to be prepared for other solutions, without ruling out a bail-in.

In view of the following:

• That reckless statements on open markets concerning such volatile stock as that of MPS can be dangerous and can have a disastrous impact on the stock and on potential investors;
• That the plan was approved by the ECB after lengthy negotiations;
• That already in previous statements by Ms Koenig herself in August, and in those issued by several EU officials to the Reuters agency in September, a degree of scepticism had emerged with regard to a positive outcome to the MPS affair through a privately-backed bailout deal;
• The painful consequences, including social ones, that a bail-in as required by the Bank Recovery and Resolution Directive (BRRD) would have,
• Does the Commission consider such statements to be appropriate and necessary, and in keeping with the provisions of the code of conduct of the EU institutions?
### Special report 1/2018 of 11 January 2018

**Joint Assistance to Support Projects in European Regions (JASPERS) – time for better targeting**

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<td>Special report no 01/2018: Joint Assistance to Support Projects in European Regions (JASPERS) – time for better targeting</td>
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<td>Summary</td>
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### Questions asked:

The Court assessed whether JASPERS made a positive contribution to EU co-financed projects in the Member States?

To answer this question, the Court focused on three different areas.

1. The institutional set-up of JASPERS, how it was administered, and the scope of its activities
2. The actual impact of JASPERS activities on the sampled projects and on Member States’ administrative capacity
3. The systems in place at various levels for monitoring and evaluating the work and the efficiency and effectiveness of JASPERS

The Court audited work at the Commission, at the EIB’s JASPERS department and the JASPERS Steering Committee, and in four selected Member States, namely Croatia, Malta, Poland and Romania.

### Findings:

1. **There are weaknesses in the definition of JASPERS’s main objectives resulted in shortcomings in its operations**

   a) The main objectives for JASPERS were insufficiently clear and partly conflicting
   b) The roles and responsibilities of the main stakeholders were not sufficiently clear
   c) In many cases, JASPERS did not target its assistance sufficiently
d) There were significant weaknesses in the setting-up of the new Independent Quality Review (IQR) function for the 2014-2020 programme period.

2. JASPERS had an impact on project quality but could not impact absorption
   a) JASPERS’s generally comprehensive assistance contributed to better project documentation and quicker project approval
   b) In general, JASPERS had an impact on the quality of major projects that were audited
   c) JASPERS could not impact the absorption of EU funds for the audited projects

3. The impact of JASPERS on administrative capacity of Member States had not yet resulted in greater independence from JASPERS assistance
   a) Since 2012, JASPERS has increased its focus on building Member States’ administrative capacity
   b) Member States remain keen on receiving JASPERS’s support for their administrative capacity

4. Significant shortcomings in the planning, monitoring and evaluation of JASPERS activities put the successful operation of the initiative at risk
   a) The Court found significant shortcomings in the planning of JASPERS activities
   b) The Court found significant shortcomings in the monitoring of JASPERS activities
   c) Evaluations of JASPERS suggest continuing but noted shortcomings to be addressed
   d) There had only been a limited follow-up of how JASPERS’s advice was actually used
   e) The Court found shortcomings in the monitoring and evaluation of JASPERS’s efficiency and effectiveness
   f) The Court found shortcomings in JASPERS’s efficiency

Recommendations:
The auditors recommend that the Commission:

1. take more control over the strategic planning of JASPERS, allowing it to be phased out when its main objectives have been met;
2. take immediate action to mitigate the high risk of a lack of impartiality when JASPERS independently reviews projects which have received advisory support;
3. obtain full access to verify the quality of JASPERS’ independent review procedures;
4. target JASPERS assistance according to the project’s development and maintain its focus on advice for major projects;
5. integrate JASPERS activities into its own technical assistance strategy;
6. adjust JASPERS’ capacity-building activities in Member States over time to provide

CONT Committee Working Document; Rapporteur

CONT Working Document of 05/12/2018 on ECA Special Report 1/2018 (Discharge 2017): Joint Assistance to Support Projects in European Regions (JASPERS) - time for better targeting

Rapporteur: Derek Vaughan (S&D)

[Recommendations by the rapporteur,]

1. Welcomes the Court’s special report, its findings and the Commission’s readiness to implement the recommendations;
2. Welcomes that in some cases, JASPERS’ efforts have led to progress in Member States’ ability to handle project preparation and the projects have been of good quality as confirmed by their fast approval by the Commission;
3. Asks the Commission and the EIB to ensure that the programme is implemented in such a way that it brings better results with regards to administrative capacity of the Member States;
4. Observes that between 2006 and 2016 the actual costs for JASPERS and the Commission’s financial contribution initially increased and subsequently remained stable at about EUR 30 million per annum, with a Commission contribution fluctuating between 70 and 80%;
5. Believes that beneficiaries should participate in the costs for the JASPERS at an appropriate level;
6. Is of the opinion that JASPERS task “(...) to provide the Member States that joined the EU in 2004 or later with independent free-of-charge advice to help them to prepare high-quality proposals for large investment projects for funding through the EU’s Cohesion and European Regional Development Funds. (...)” should logically have become lighter as newer Member States adjust to EU systems and procedures;
7. Is very much concerned about the Court’s observation: “VIII. The EIB [European Investment Bank] was unwilling to provide information on JASPERS’s real costs, and the Commission was only partially able to demonstrate the plausibility of the standard costs of JASPERS used up to 2014 for staff members provided by the EIB.”;
8. Insists that the EIB makes available, to the European Court of Auditors, all relevant information for its audit work; asks the Commission to undertake any necessary measures to ensure EIB cooperates in this respect.
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<td>E. whereas there is space for improving the monitoring and evaluation of technical assistance despite the emphasis on more result orientation in the 2014-2020 programming period and the fact that almost half of this period has elapsed;</td>
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<td>8. Welcomes the support provided to Member States under the Joint Assistance to Support Projects in European Regions (JASPERS) technical assistance facility, which provides expertise to Member States to help them prepare major projects cofinanced by the ERDF and CF; is looking forward to the special report of the European Court of Auditors foreseen for 2017, which will aim to check whether JASPERS has improved the development of assisted major projects cofinanced by the EU and thus contributed to higher project quality as well as to increasing Member States’ administrative capacity; stresses in this regard the need for a careful analysis of how JASPERS activity for the period 2007-2013 providing independent quality review (IQR) has improved project quality and cut the time taken for approval of major projects by the Commission;</td>
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<td>31. Asks the Commission to consider all these elements in the context of the preparation of the legislative proposals for post-2020 cohesion policy, i.e. experience from the current and previous programming period;</td>
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<td>32. Calls on the Commission to implement an ex-post evaluation of both centrally managed technical assistance and technical assistance under shared management;</td>
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<td>European Parliament resolution of 16 February 2017 on investing in jobs and growth – maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR (2016/2148(INI))</td>
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<td>38. Points out that the slow start of some programmes, the lack of management capacity for complex projects, the delays recorded in finalising projects, the administrative burden in the Member States, overregulation and errors in public procurement procedures are the main obstacles to the cohesion policy’s implementation; regards it as essential to identify and simplify the unnecessarily complex processes and procedures in the shared management that create additional burdens for authorities and beneficiaries; points out that administrative capacity has to be constantly improved, monitored and strengthened; is therefore of the opinion that in this regard it is necessary to exploit functional and flexible e-government solutions, as well as improved information and coordination between Member States; additionally, underlines the need for greater focus on training the administration;</td>
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8. Calls on the Commission and the Member States, bearing in mind that in many Member States the economic crisis has caused liquidity shortages and a lack of public funds available for public investments, and that cohesion policy resources are becoming the main source of public investment, to fully apply and use the existing flexibility under the Stability and Growth Pact; asks the Commission, moreover, to conduct a permanent dialogue with the Member States which asked for the application of the current investment clause, with a view to maximising the flexibility relating to growth and jobs investments; calls on the Commission, furthermore, to encourage involvement of the EIB in the form of increased technical and financial support in the preparation and implementation of projects for any Member State that requires it; considers that financial instruments, if implemented effectively on the basis of proper ex ante assessment and combined strategically with grants, can significantly increase the impact of financing, thus helping to overcome the negative effects of shrinking public budgets and to develop revenue-generating projects; stresses that clear, consistent and focused rules on Financial Instruments to help simplify the preparation and implementation process for fund managers and recipients, which recognise the different development levels of financial markets across the Member States, can help realise this ambition; believes that condensing all relevant regulation on Financial Instruments into a single, easily accessible and comprehensible document, and avoiding unnecessary re-revision of related guidance part-way through funding periods, unless legally required, would also assist in this process;

13. Underlines the fact that assessing (the acceleration of) the implementation of cohesion policy now could provide some important learning points for the Commission with a view to the discussion of future cohesion policy post-2020; asks the Commission to formulate key learning points and to engage with Parliament, the Member States and other relevant stakeholders on the future of ESI Funds post-2020 as early as possible, with a view to increasing their targeted use and timely implementation;

European Parliament resolution of 16 February 2017 on delayed implementation of ESI Funds operational programmes – impact on cohesion policy and the way forward (2016/3008(RSP))

G. whereas administrative capacity both at national and at regional and local level is a key precondition for the successful implementation of cohesion policy;
5. Calls, therefore, on the Commission, in close cooperation with Member States and on the basis of an objective analysis of the factors contributing to current delays, to present a ‘Cohesion acceleration plan’ in the first quarter of 2017 in order to facilitate an accelerated implementation of ESI Funds operational programmes; underlines nevertheless in this context the need to ensure low error rates, the fight against fraud, and the strengthening of administrative capacity at national, regional, as well as local level as a pre-condition to achieve timely and successful results; believes that tailor-made measures should follow the analysis of the Summary Report of the programme annual implementation reports covering implementation in 2014-2015, made available by the Commission at the end of 2016, and calls on the Member States to continuously monitor the progress made in the implementation of projects; stresses in this regard the need and added value of concentrating efforts on the thematic objectives priority sectors; moreover, calls on the Commission to continue providing support through the Task Force for Better Implementation and to make available an action plan of its activities to Parliament;

6. Is concerned by the delays in the designation of managing, certifying and auditing authorities, which result in delays in the submission of payment applications; calls, therefore, on Member States to complete the designation process, and on the Commission to deploy the technical assistance and advisory services needed to managing, certifying and auditing authorities, with a view to facilitating and speeding up the implementation of operational programmes on the ground, including for the preparation of project pipelines, the simplification and acceleration of the financial management and control system, as well as for contracting and monitoring

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European Parliament resolution of 18 May 2017 on the right funding mix for Europe’s regions: balancing financial instruments and grants in EU cohesion policy (2016/2302(INI))

[The European Parliament,]

17. Welcomes the Commission’s actions in optimising regulation and reducing red tape; emphasises that despite the improvements, complexity still exists and issues such as the long set-up time and administrative burden for recipients are disincentives to use financial instruments; calls on the Commission to work closely with the EIB, the EIF and managing authorities to combine much more easily ESI Funds microcredit, loans, guarantees, equity and venture capital, while ensuring the same level of transparency, democratic scrutiny, reporting and control;

19. Highlights the importance of financial instrument performance auditing, including auditing of the EIB Group’s operations on Cohesion Policy; notes that auditing activities include access to the entire ESI Funds cycle; calls on the Commission and national authorities to identify opportunities for simplification and synergies through the auditing process; calls on the Commission, therefore, to focus on a comparative analysis of grants and financial instruments as well as on further capacity-building, audit methodology and guidelines for audit processes, which should not increase the financial and administrative burden on beneficiaries;
22. Welcomes the existing technical assistance practices provided by the Commission and by the EIB Group through the fi-compass platform; regrets that the on-the-ground support services to authorities and especially to recipients of financial instruments, including EFSI, are limited, while many local and regional authorities have encountered technical difficulties and a lack of capacity and know-how to utilise financial instruments effectively; calls for technical assistance, which should be directed primarily at local or regional stakeholders, as well as at all partners involved, but which should not be used to finance the activities of national authorities; calls, in addition, for a joint technical assistance plan by the Commission and the EIB comprising financial and non-financial advisory activities, especially for major projects, as well as capacity-building, training, support and the exchange of knowledge and experience; further calls for a combination of expertise (including legal advice) on the cohesion policy regulations, financial products, state aid and public procurement, targeted at national authorities, fund managers and beneficiaries, while highlighting the importance of avoiding the duplication of structures;

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<td><strong>Late implementation of European Structural and Investment Funds</strong>, E-001644-17, Question for written answer to the Commission, Rule 130, Monika Smolková (S&amp;D), 09-03-2017</td>
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<td>Before the end of the 2007-2013 seven-year period, we experienced some tough moments in the Committee on Regional Development and also in the Commission when, in an effort to see that some States were not deprived of structural funds, we hurriedly approved exemptions, specifically the N+3 for Slovakia and Romania. We are now in the middle of the 2014-2020 seven-year period and again we note that some Member States have a very low absorption rate when it comes to structural funds.</td>
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<td>1. What is the Commission doing to ensure that Member States absorb more structural funds? The failure to absorb funds plays into the hands of opponents of the post-2020 Cohesion Policy, and the low implementation rate means that we will find the policy very hard to defend when preparing for the post-2020 period.</td>
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<td><strong>Delayed implementation of European Structural and Investment (ESI) Funds operational programmes - Impact on cohesion policy and the way forward</strong>, O-000005/2017, Question for oral answer to the Commission, Rule 128, Iskra Mihaylova on behalf of the Committee on Regional Development, 24-01-2017</td>
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<td>Owing to the late conclusion of the 2014-2020 multiannual financial framework (MFF) negotiations and the ESI Funds regulations, there are significant delays in the implementation of operational programmes, the designation of managing, certifying and auditing authorities and project implementation at local and regional level. The magnitude of the delays resulted in a nearly 24 % decrease in payment appropriations under Heading 1b in the 2017 draft EU budget as compared with the 2016 EU budget appropriations. Delayed implementation already led, in 2016, to a proposed reduction in payments under Heading 1b by EUR 7 billion through draft amending budget (DAB) No 4/2016.</td>
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564 ESI Funds operational programmes had been adopted by September 2016, and authorities had been designated for 334 programmes. Execution of interim payments equalled EUR 11.5 billion. The submission of new payment applications in 2016 reached EUR 10 billion. Outstanding payment claims for the programming period 2007-2013 totalled EUR 3.9 billion.

The Committee on Regional Development (REGI) underlines the need for an implementation action plan in the first quarter of 2017. On the basis of the implementation reports to be made available by the Commission by the end of 2016, we propose a debate on this action plan, with a view to receiving answers to the following questions:

1. Is the Commission considering forms of further flexibility such as the proposed reflow of decommitments, including from Heading 1b, as a result of total or partial non-implementation, into the EU budget?
2. Will it maintain an adequate payments plan until 2023 and propose increasing payment ceilings, if necessary, until the end of the current programming period?
3. Given the challenges that lie ahead, how will it deploy the needed technical assistance and advisory services to managing, certifying and auditing authorities with a view to facilitating and speeding up implementation of the policy on the ground?
4. Is it prepared to continue the discussion on these issues in the Cohesion Forum and to come forward with solutions in the 7th Cohesion Report, while also taking the necessary steps to ensure the timely start of the post-2020 period?

**Speeding up implementation of cohesion policy**, O-000070/2016, Question for oral answer to the Commission, Rule 128, Iskra Mihaylova, on behalf of the Committee on Regional Development, 20-04-2016

EU cohesion policy, with a budget of over EUR 350 billion until 2020, represents in some Member States the main source of public investment. The objectives of growth enhancement and job creation can be achieved through coherent interaction within the EU economic policy mix of structural reforms and growth enhancing investment, all supported and accelerated by cohesion policy investments.

Under Article 136(1) of the Common Provision Regulation (1303/2013), the Commission ‘shall decommit any part of the amount in an operational programme that has not been used for payment of the initial and annual pre-financing and interim payments by 31 December of the third financial year following the year of budget commitment under the operational programme’. While the fact that the N+2 rule from the 2007-2013 perspective is extended to N+3 for all Member States is positive, serious concern is expressed at the significant delay in the implementation of cohesion policy 2014-2020, including the delay in adoption of Operational Programmes.

1. How does the Commission intend to speed up implementation of cohesion policy? What measures are being envisaged to facilitate the implementation of the Operational Programmes in order to avoid the decommitment of funds?
2. Also, looking back to the 2007-2013 programming period, can the Commission provide information about the major obstacles and problems in the Member States during implementation which hampered absorption of the funds? Can the Commission also indicate the amounts at risk of decommitment envisaged at this stage? Can the Commission provide information on the results of the intervention of the Task Force for better Implementation in the eight Member States covered between 2014 and the end of 2015?

3. What will be the focus of the activities of the Task Force for Better Implementation for the 2014-2020 programming period?

4. Since administrative capacity is a key precondition for timely and successful performance of cohesion policy, will the Commission support strengthening administrative capacity for implementation and evaluation? What actions are being envisaged in this regard?

5. Bearing in mind that a correlation exists between good governance and absorption capacity, what measures will be suggested in order to encourage structural reforms, growth and investment-friendly fiscal consolidation, and also to improve financial management?

6. Timely payments are important for the proper implementation and credibility of the policy. What measures are being envisaged to ensure full implementation of the Payment Plan in the context of the 2016 budget and for the coming years?

7. Improving technical assistance, E-002643-17, Question for written answer to the Commission, Rule 130, Laurenţiu Rebega (ENF), 11-04-2017

The technical assistance given to Member States plays a very important role in the efficient implementation of cohesion policy. As seen in the previous programming period, in certain Member States, including Romania, local and national authorities lack the capacity to manage EU funds efficiently, a phenomenon which is also down to difficulties in keeping skilled personnel.

What is more, there are key differences between the Member States and between regions when it comes to administrative capacity, and consequently solutions would need to be adopted that are tailored to individual needs instead of systemic solutions.

1. Against that backdrop, how does the Commission intend to use its experience from the present programming period and the previous period to maximise the efficiency of the technical assistance (for instance, by extending the number of technical assistance beneficiaries or introducing the option of using technical assistance before the operational programmes start)?

Implementation of the European Fund for Strategic Investments, E-007772/2016, Question for written answer to the Commission, Rule 130, Ruža Tomašić (ECR), 14-10-2016
An analysis of the European Fund for Strategic Investments carried out by the European Investment Bank shows that most of the funds spent implementing the Fund went to the 15 most developed EU Member States (as much as 92%). Meanwhile, the less-developed Member States were once again left without the financial resources that they need to drive growth and employment.

Furthermore, the Commission recently announced, in connection with the European Fund for Strategic Investments, the mobilisation of an additional EUR 200 billion and the prolongation of the programme until 2020. This funding could potentially be secured at the expense of the cohesion funds, namely at the expense of those precise Member States that are in greatest need.

1. In this connection, does the Commission plan to expand the number of areas that could be eligible for funding from the European Fund for Strategic Investments in order to make it easier for less-developed Member States to access funds?
2. Does it plan to carry out public awareness campaigns in the aforementioned Member States or to provide technical assistance to individual Member States that are obviously having difficulties understanding and implementing the measures of the Fund?

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Commission body for the support to Member States in the absorption of Cohesion Policy funds, E-000871/2015, Question for written answer to the Commission, Rule 130, Ivan Jakovčić (ALDE), Date: 22-01-2015

Some Member States have problems with the absorption of Cohesion Policy funds. In this connection, in my work as a member of the REGI Committee, I have repeatedly advocated the establishment of a special ‘intervention body’ of the European Commission that would intervene and assist Member States in addressing the problems of preparation and implementation of the cohesion policy. I am convinced that the responsibility for a successful absorption of funds cannot rest only with national authorities since the consequences of poor use of development resources of the EU ultimately impact on the whole of the EU.

Given the fact that the newly elected Commissioner for Regional Policy, Mrs. Corina Creţu, has underlined the establishment of a ‘Task Force’ whose role it will be to help Member States which encounter problems with the utilisation of resources of the EU Cohesion Policy, I ask the following questions:

1. How is this Task Force structured (from the personnel and organisational point of view) and how does it function?
2. What actions have so far been undertaken and implemented by the said Task Force?

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**Cohesion policy reform**, E-015404/2015, Question for written answer to the Commission, Rule 130, Edward Czesak (ECR), 03-12-2015

In my opinion the EU should concentrate on activities which more effectively promote growth, sustainable development and decent jobs. Unfortunately, delays in the implementation of current cohesion policies are a cause for concern. In Poland, for example, although a large majority of the operational programmes have been approved, the process of implementing them is still at a very early stage. In light of the above:

1. Has a work plan been drawn up for the Structural Reform Support Service responsible for providing technical assistance to improve implementation of structural reforms and give recommendations to individual countries? What action did this service take in this connection between July and October?
2. Have the service’s responsibilities and work plan been defined with a view to improving implementation of EU funds? On what basis were its members selected?

**Binding character of JASPERS opinions on final decisions taken by the Commission**, E-002365/2015, Question for written answer to the Commission, Rule 130, Miroslav Poche (S&D), 12-02-2015

A joint initiative of the Commission, the European Investment Bank and the European Bank for Reconstruction and Development, Jaspers — Joint Assistance to Support Projects in European Regions — was introduced in order to facilitate and streamline preparations for projects financed under the EU’s cohesion policy by providing consultancy services during preparations for projects. Observations made by Jaspers form part of the documentation transmitted to the managing body and to the Commission.

The Jaspers initiative has previously assisted in preparing a whole host of projects. However, situations have arisen in which the opinions of Jaspers experts have been in direct conflict with the opinions of the experts consulted by the subsidy applicant, and even on occasion in conflict with the national law of the relevant Member State. This fact has brought a number of major projects — for example, the project to reconstruct and expand the wastewater treatment plant in Prague — to an unresolvable situation.

1. In this context, are Jaspers opinions binding upon the final decisions taken by the Commission in respect of subsidy allocations and upon the EIB’s decisions to offer loans?
2. If Jaspers opinions are not binding, will the Commission take into account the opinions of independent, third-party experts in cases where Jaspers opinions are in direct conflict with the subsidy applicant’s expert opinions?
3. If so, under what conditions?
## Special report 2/2018 of 16 January 2018

The operational efficiency of the ECB’s crisis management for banks

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<th>Policy Area</th>
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<td>Report No / Date / Title</td>
<td>Special report No 02/2018: The operational efficiency of the ECB’s crisis management for banks</td>
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| Short summary of questions asked, findings and recommendations | **Questions asked:**  
The audit examined the operational efficiency of the European Central Bank’s (ECB) management of crisis management.  
It focused on:  
- whether the ECB’s supervisory methodologies and related procedures efficiently identify and respond to a material deterioration in the financial condition of a bank;  
- whether the operational procedures and arrangements for coordination and cooperation both within the ECB and with other relevant actors allow for efficient crisis management.  
Evidence was collected through meetings and interviews with key ECB supervisory staff and by inspecting certain internal documents and publicly available data. Furthermore, a questionnaire on the efficiency of the recovery planning process was submitted to all significant banks. The audit focused only on the operational efficiency of the ECB’s crisis management of banks under its direct supervision (these are exclusively what is known as “Significant Institutions” (SIs)). The audit assessed whether the processes in place would allow decisions to be taken at the right time and whether the assessments carried out prior to decision-making allowed well-informed judgments to be made.  
ECA stated that evidence provided in the area of tests of controls and substantive testing was insufficient: a significant volume of documentation was received, but it could not answer all the audit questions to the standards appropriate to an audit and thus this report must necessarily be regarded as provisional in respect of these areas of the audit. |
### Findings:

1. **Overall, the organisational set-up is adequate and recruitment to the Crisis Management Division (CRM) was efficient. However, the ECB does not have specific procedures to reassess staffing allocation to Joint supervisory teams (JSTs) in a crisis situation and re-deploy staff to allow for operational efficiency of the management of it**

2. **Cooperation and coordination with regard to crisis management needs to be improved**
   - d) The setting-up of coordination and cooperation with other authorities is still not complete
   - e) Interaction with the Single Resolution Board (SRB) and other stakeholders needs improvement

3. **Concerning Recovery planning:**
   - a) After a transition phase the ECB set a consistent timeline for the submission of recovery plans, but reaching joint decisions on group recovery plans continued to be a challenge
   - b) The use of national experts means potential governance conflicts
   - c) The CRM monitors the recovery planning process and provides general guidance to JSTs and banks, but needs some improvement
   - d) The ECB has operationalised the legal requirements for assessing recovery plans in a tool that is efficient and largely comprehensive, but the results of recovery planning are not systematically used for crisis identification or management
   - e) Supervised entities are positive overall about the recovery planning process
   - f) Due to the limitation of the sample provided by the ECB, conclusions could not be drawn on the recovery plan assessments

4. **Concerning crisis identification:**
   - a) The ECB has allocated tasks and established an overall workflow for crisis identification and response, but its guidance on implementing the relevant provisions is underdeveloped
   - b) The ECB has processes for crisis identification but there is no common set of indicators with clear thresholds to determine deterioration and the key identifier has several drawbacks and monitoring systems need enhancement
   - c) It is very much down to supervisory teams to decide just when to make early intervention assessments and how to present them

5. **Concerning crisis response:**
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<tr>
<td>a)</td>
<td>The nature and extent of intensified supervisory activity are defined by each JST</td>
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<td>b)</td>
<td>Liquidity monitoring tools have been established but to be operationally efficient the process would need to quantify incurred or likely losses</td>
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<td>c)</td>
<td>More guidance is required on legal powers and practical measures, on monitoring the implementation of supervisory measures and on the clarity of the guidance on 'Failing or Likely to Fail' (FOLT) assessments and on training activities and simulation exercises to enhance the operational efficiency of management</td>
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<td>d)</td>
<td>Documentation of crisis response in early intervention assessments needs improvement.</td>
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**Recommendations:**

1. **By the 4th quarter of 2018, the ECB should enhance its cooperation with external actors by:**

   a) pursuing its efforts to conclude Written Coordination and Cooperation Arrangements (WCCAs) for all supervisory colleges for which the ECB is the consolidating supervisor and improving information exchange with the SRB. The latter should be addressed in the current process of revising the memorandum of understanding between the two institutions;  
   
   b) adopting internal framework for the supplementary supervision of Financial Conglomerates (FICOs).  

2. **For recovery planning, by the 4th quarter of 2018 the ECB should:**

   a) improve its consistency of approach in relation to banks with similar business models and/or operating in common jurisdictions through additional guidance including for the calibration of indicators;  
   
   b) target additional outputs in the form of summary reports and make arrangements for JSTs to systematically use recovery plan assessments in crisis identification and management.  

3. **By the 2nd quarter of 2018 the ECB should:**

   a) further develop its guidance on early intervention assessments and define a set of indicators with clear thresholds for determining a potential deterioration in the financial condition of a bank, making use of some of the indicators and triggers that have been assessed as suitable in the context of the assessment of the bank’s recovery plan, and link them to clear escalation processes to allow for the operationally efficient use of the available information;  
   
   b) promote the rapid and systematic use of early intervention assessments as soon as there is evidence of material deterioration in a bank’s financial condition;  
   
   c) emphasise the quality assurance of early intervention assessments in order to ensure that its internal processes and guidance are being followed.
4. By the 1st quarter of 2019, the ECB should streamline its processes for dealing with all information (including information on systemic risk) so as to maximise its capacity to identify banks in crisis at an early stage. This should include introducing a management information system for the systematic reporting of breaches and near-breaches of regulatory requirements, and implementing centralised checks.

5. By the 4th quarter of 2018, the ECB should:
   a) further develop its early intervention guidance in order to ensure that all relevant supervisory findings are quantified before response measures are considered;
   b) establish clear processes for obtaining assurance about the asset quality of institutions whose financial condition has markedly deteriorated, where uncertainty persists regarding the valuation of assets. In particular, it should have on-site inspection teams on hand to carry out a detailed analysis of asset quality for crisis banks;
   c) produce regular progress reports to senior management summarising in a systematic, comprehensive and forward-looking manner how banks with identified asset quality problems are being addressed through on-site inspections or other means.

6. By the 4th quarter of 2018, the ECB should further develop its operational guidance on early intervention assessments in order to:
   d) address the difficulties identified in the application of its powers by inviting the Commission to consider legislative changes to address potential weaknesses in the existing framework;
   e) introduce a comprehensive description of specific actions to be considered in a range of scenarios and the legal powers to be applied. To this end, it should make systematic use of the insight it has gained through the assessment of banks’ recovery plans and previous crisis situations.

7. By the 1st quarter of 2018, the ECB should further develop its operational guidance for FOLTF assessments, in particular by elaborating further on the use of the objective elements described in the EBA guidelines.

8. The ECB should immediately grant the Court of Auditors access to all documents or information requested in order to carry out its task, in the interests of accountability.

|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
Rapporteur: Inés Ayala Sender

[Recommendations by the rapporteur, ]

2. Calls on the ECB

- to improve the guidance on the development of recovery plans, which 32% of the surveyed entities (see annex III, question 14) considered poor;
- to pay more attention to the replies given to enquiries, as 27% of the surveyed entities replied that the answers were only sometimes useful (see annex III, question 17);
- to develop the recovery process planning further with the view to rendering it less formalistic; recalls that the majority of the surveyed entities (65%) consider the current process to be either acceptable or formalistic (see annex III, question 53);

3. Is deeply concerned by the fact that the ECB did not grant the Court of Auditors access to all documents or information requested which the Court deemed necessary to carry out its task;

4. Is of the opinion that the ECB's full cooperation would have enhanced transparency and accountability;

5. Recalls with regret that the European Court of Auditors is not the main external auditor of the ECB, and that the Court is only entitled to examine the operational efficiency of the management of the (ECB Article 27 of the Protocol N° 4 annexed to the Treaty on the Functioning of the European Union);

6. Points to an apparent inter-institutional imbalance: whereas the European Court of Justice plays a prominent role in supervising the ECB's activities ECB (Article 35 of the Protocol N°4), the European Court of Auditors was only granted a modest role in verifying the bank's financial management (to examine the operational efficiency of the management), to the detriment of transparency and accountability;

7. Calls therefore on the Member States and the EU institutions to develop the role of the Court vis-à-vis the ECB further during the next revision of the Treaty;

8. Recalls that ECB's crisis management forms part of the common European recovery and resolution framework established as a response to the financial crisis in order to ensure the stability of the banking sector and thus impeding the reliance on public funds;

9. Notes that the ECB was given responsibility for the management of the assessments of banks' recovery planning and for early intervention for significant banks in the euro area and that the effective crisis management therefore depends primarily on the operationally efficient management by the ECB;
10. Calls on the Commission and on the ECB to improve the supervisory role to enhance the stability of the euro area banking system and to ensure stability and crisis-resilience, avoiding any weakness in the whole process that could jeopardise the credibility of the ECB crisis management.


5. Remains concerned at the still significant levels of non-marketable assets and asset-backed securities put forward as collateral to the Eurosystem in the framework of its refinancing operations; reiterates its request to the ECB to provide information on which central banks have accepted such securities as well as to disclose the valuation methods regarding such assets; underlines that such disclosure would be beneficial for the purpose of parliamentary scrutiny of the supervisory tasks conferred on the ECB;

27. Acknowledges that while the current policy of low interest rates has a temporarily positive effect on the level of nonperforming loans (NPLs), the high risks related to NPLs should be tackled effectively in a structural fashion; notes the ECB’s and SSM’s efforts in supervising and assisting banks in the euro area in order to reduce their NPL exposure, and in particular the guidance provided by the ECB to banks on tackling NPLs in March 2017 and its actions concerning individual banks, as well as the action plan approved by the ECOFIN Council of 11 July 2017, without prejudice to Parliament’s powers regarding level 1 legislation; points out that an orderly implementation of the Council Action Plan requires a joint effort by banks, supervisors, regulators and national authorities; calls for stress tests characterised by wide coverage, methodological pertinence and robustness; recommends the careful monitoring of developments on the real estate markets; considers that any additional measures should ensure full respect for the prerogatives of the European Parliament;

39. Calls on the ECB, in cooperation with the ESAs, to assess all the consequences of the UK’s withdrawal from the EU and to stand ready to prepare for the relocation of banks and their activities in the euro area; considers the strengthening of oversight for euro-clearing outside the euro area to be of the utmost importance, in order to avoid supervisory gaps and financial stability issues; is starting to debate the Commission’s proposal amending EMIR as regards the supervision of CCPs issued in June 2017 at committee level, with a view to achieving this strengthening;

49. Stresses that the ECB’s supervisory and monetary policy roles should not be confused and should not generate any conflict of interest in its execution of its principal functions.

17. Calls for greater transparency in the EU’s economic and financial decision-making process, in particular in the area of the banking supervision performed by the European Central Bank; supports, furthermore, the Ombudsman’s recommendations to increase the transparency of the EIB and the Eurogroup and to strengthen their internal ethics rules, while recognising her recent efforts in this regard and the fact that Regulation (EC) No 1049/2001 does not apply to the Eurogroup as it is not an institution or body within the meaning of the Treaties; calls for compliance with the Ombudsman’s recommendations on the EIB Complaints Mechanism Review (EIB-CM) and underlines the importance of an independent complaints mechanism; invites the Ombudsman to play a more active role in ensuring that the new EIB-CM remains credible and efficient while respecting the principles of operational independence, transparency, accessibility, timeliness and adequate resources.


1. [...] on Member States, pending its adoption and in order to complement it, to improve their relevant legislation, especially with regard to the length of recovery procedures [...];

5. [...] calls on financial supervisors to allow new internal models only if they do not lead to unjustified significantly lower risk weights; reiterates the conclusions of its resolution of 23 November 2016 on the finalisation of Basel III; in particular, recalls that the regulatory changes planned should not result in overall increases in capital requirements or harm the ability of banks to finance the real economy, in particular SMEs; stresses that the international work should respect the proportionality principle; recalls the importance of not unduly penalising the EU banking model and of avoiding discrimination between EU and international banks; calls on the Commission to ensure that European specificities are considered when developing new international standards in this area, and to take duly into account the proportionality principle and the existence of different banking models when assessing the impact of future legislation implementing internationally agreed standards;

7. Underlines that the European banking sector plays a key role in financing the European economy and that this is supported by a strong supervision system; welcomes, therefore, the intention of the Commission to maintain the SME Supporting Factor in the upcoming revision of CRD/CRR and to extend it beyond its current threshold;

8. Points out that guidance provided by international fora should be followed to the greatest extent possible in order to avoid the risk of regulatory fragmentation with regard to the regulation and supervision of large, internationally active banks, without this either preventing a critical approach
when needed or precluding targeted departures from international standards when and where the characteristics of the European system are not sufficiently taken into account; [...] 

10. Underlines the need for a comprehensive view of the cumulative impact of the different changes in the regulatory environment, whether they concern supervision, loss absorption, resolution or accounting standards; 

11. Stresses that national options and discretions may hinder the creation of a level playing field between Member States and the comparability of the financial reporting by banks to the public; is pleased with the opportunity offered by the newly proposed amendment to the CRR to close or restrict the use of some of them at Union level in order to address existing barriers and segmentation, and to keep only those that are strictly necessary because of the diversity of banking models; urges that this opportunity be fully exploited; welcomes the ECB guidance and regulation harmonising the exercise of some of the national options and discretions within the BU; recalls, however, that when conducting work on the reduction of options and discretions the ECB shall remain within the limits of its mandate; stresses that working towards the deepening of the single rulebook is crucial, and underlines the need to streamline the current overlapping and intertwining of existing, amended and new legislation; calls on the ECB to make fully public the Supervisory Manual laying down common processes, procedures and methods for conducting a euro area-wide supervisory review process; 

14. Stresses the risks stemming from the holding of level 3 assets, including derivatives, and in particular from the difficulty of their valuation; notes that these risks should be reduced and that this calls for a progressive reduction of the holdings of these assets; calls on the SSM to make this issue one of its supervisory priorities, and to organise, jointly with the EBA, a quantitative stress test on it; 

15. Reiterates the need to ensure higher transparency on the full set of supervisory practices, in particular in the SREP cycle; asks the ECB to publish performance indicators and metrics in order to demonstrate supervisory effectiveness and enhance its external accountability; reiterates its call for more transparency with regard to Pillar 2 decisions and justifications; calls on the ECB to publish Joint Supervisory Standards; 

17. Highlights the limitations of the current stress test methodology; welcomes, therefore, the EBA’s and ECB’s efforts to pursue improvements to the stress testing framework; believes, however, that more should be done to better reflect the possibility and reality of real crisis situations by, inter alia, better incorporating more dynamic elements, such as contagion effects, in the methodology; considers that the lack of transparency characterising the ECB’s own stress tests imply uncertainty in supervisory practices; calls on the ECB to publish the results of its stress test exercise to foster market confidence; 

22. Underlines that the separation of the supervisory tasks from monetary policy functions should enable the SSM to take an independent position on all relevant matters, including on potential effects of ECB interest rate targets on the financial position of supervised banks; 

25. Underlines that the safety and soundness of a bank cannot be captured by a point-in-time assessment of its balance sheet alone, as they are ensured through dynamic interactions between the bank and the markets, and affected by various elements in the entire economy; underlines,
therefore, that a sound framework for financial stability and growth should be comprehensive and balanced so as to cover dynamic supervisory practices and not focus merely on static regulation with mainly quantitative aspects;

39. Invites the Commission to assess, in the light of experience and within the framework of the review of Regulation (EU) No 806/2014, whether the SRB and the national resolution authorities are equipped with sufficient early intervention powers and sufficient early intervention instruments to prevent disruptive outflows of banks’ capital and loss-absorbing capacity during a crisis;

49. Points out that swift and effective exchange of information between supervision and resolution authorities is paramount in order to ensure smooth crisis management; welcomes the conclusion of a memorandum of understanding (MoU) between the ECB and the SRM in respect of cooperation and information exchange; calls on the ECB to specify in the MoU the communication procedures between joint supervisory teams and internal resolution teams; recommends that the attendance of the ECB as a permanent observer at the SRB Plenary and Executive Sessions be made fully reciprocal by allowing a representative of the SRB to attend the Supervisory Board of the ECB, also as a permanent observer.

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(”The European Parliament,”)

14. Underlines the fact that a prolonged period of flat yield curve could lessen the profitability of banks, especially if they do not adjust their business models, and could create potential risks, in particular for private savings and pension and insurance funds; warns that a decline in the profitability of banks could dampen their willingness to develop lending activity; points particularly to the negative effect of such an interest rate policy on local and regional banks and savings banks with little funding from financial markets, and to risks in the insurance and pensions sectors; calls therefore for specific and continued monitoring of the negative interest rate tool, its implementation and its effects; emphasises the need for proper, prudent, timely management of the winding-down of this ultra-low (negative) interest rate policy;

16. Remains concerned by the still significant levels of non-marketable assets and asset-backed securities put forward as collateral to the eurosystem in the framework of its refinancing operations; reiterates its request to the ECB to provide information on which central banks have accepted such securities and to disclose valuation methods regarding such assets; underlines that such disclosure would be beneficial for the purpose of parliamentary scrutiny of the supervisory tasks conferred on the ECB;

19. Supports the ECB’s assessment that the current CRR/CRD IV package lacks certain measures which could also effectively address specific types of systemic risk, such as (i) various asset-side measures, including the application of limits to loan-to-value, loan-to-income or debt-service-to-income ratios, and (ii) the introduction of various exposure limits falling outside the current definition of large exposures; urges the Commission to examine
the need for legislative proposals in this regard; notes that some of these measures could already be integrated in the context of the ongoing legislative work around the EDIS proposal;

20. Points out that, as indicated by the ECB’s role in relation to liquidity provision to Greece in June 2015 and the leaked discussions of the ECB Council of Governors on the solvency of Cypriot banks, the concept of ‘insolvency’ underpinning the provision of central bank liquidity to institutions in the euro area lacks a sufficient level of clarity and legal certainty, as the ECB has in past years referred alternately to a static concept of solvency (based on whether a bank complies with minimum capital requirements at a certain point in time) or to a dynamic concept (based on forward-looking scenarios of stress tests) for justifying the continuation or limitation of emergency liquidity assistance (ELA) provision; underlines that this lack of clarity needs to be addressed so as to guarantee legal certainty and foster financial stability.

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[The European Parliament,]

7. Takes note of the remarks made by supervised entities about the need for early planning of supervisory actions, in order to enhance their quality and avoid the unintended consequence of affecting banks’ business activities, and considers that there is a great deal of room for improvement in this respect;

10. Stresses the importance of close interaction between the ECB’s Directorates-General (DGs) in charge of direct and indirect micro-prudential supervision and the DG in charge of horizontal supervision and expertise services, and emphasises the role of the latter in improving the comprehension, among supervised entities, of a common supervisory approach underlying the concrete individual micro-prudential measures; stresses the importance of a full organisational separation between SSM staff and the staff providing services needed for independent monetary policy purposes;

11. Calls for a systematic review of comprehensive assessments of ECB-supervised institutions, as well as for appropriate improvements of the methodology in the light of lessons learned, in all cases where an institution is deemed sound under the assessment and subsequently runs into trouble, as well as where an institution is deemed undercapitalised on the basis of a stress test scenario which turns out to be significantly unrealistic; emphasises the limitations of the current stress test methodology which evaluates third-country exposure on the basis of banks’ internal assessment;

12. Welcomes the fact that the ECB is working on enhancements in the macro stress testing framework in order to integrate more realistic dynamic features in the stress testing model framework, add a proper liquidity stress test component, and integrate contagion effects within the banking system, as well as the two-way interaction with the real economy and the shadow banking sector in the broader framework;
13. Considers the comprehensive assessment performed ahead of the launch of the SSM to be an important step towards restoring the confidence lost in the crisis years and enhancing the resilience of the euro area banking system by improving its capitalisation and increasing transparency; considers the Supervisory Review and Evaluation Process (SREP) and future comprehensive assessments of bank balance sheets to constitute a necessary tool in identifying banks, which should strengthen their capitalisation and reduce leverage;

25. Welcomes the development of a common methodology for the 2015 round of the SREP; notes that, partly as a consequence of the swift start of the SSM, many aspects of this methodology were finalised only when the SREP cycle was already under way, and considers that in order to improve the robustness of results and consistency between banks’ risk profiles and capital levels, the process leading to the approval of the common supervisory standards for risk assessment can benefit from further refinement; welcomes the SSM’s willingness to work on bank governance, and in particular on risk management, risk appetite and cyber-risk;

27. Stresses that national options and discretion attributed to Member States prevent the SSM from developing a single coherent supervisory approach within the euro area in order to ensure a true level playing field, and believes that the homogenisation of practices and standards should go hand in hand with the completion of the other two pillars of the Banking Union; [...]  

31 Welcomes the adoption by the SSM of five high-level priorities to guide its supervision throughout 2016; underlines that the SSM should look beyond credit risk to all forms of bank risk, including non-financial risk; underlines that further steps are necessary to reinforce the supervisory scrutiny of banks’ financial portfolios, especially level 3 financial assets, including derivatives; stresses the need for a reduction of the interlinkages between the regulated and the shadow banking sector, not least via limiting the respective credit risk exposure;

36. Believes that the ECB’s supervisory strategy, while avoiding any differentiation along national lines, should reflect and safeguard pluralism and diversity of banking models across the EU, including authentic and healthy mutual, savings and cooperative banks, and should comply with the principle of proportionality;

40. Recalls that public audit is an integral part of the mechanisms for ensuring the accountability of institutions to citizens; notes, therefore, with some concern the statement published in June 2015 by the Contact Committee of the Heads of the Supreme Audit Institutions of the European Union and the European Court of Auditors (ECA), which warns against the emergence of audit gaps due to the transfer of supervisory tasks from national authorities to the SSM in a context where the audit mandate of the ECA over the ECB acting as a supervisor is less comprehensive than those of national audit institutions over national supervisors; recommends accordingly that consideration be given to strengthening the audit mandate of the ECA;

59. Recommends, for the successful management of banking crises in the future, careful assessment of the various choices at the disposal of the Board on the basis of the EU legislation (different resolution tools as an alternative to the liquidation of the bank), keeping in mind the importance of safeguarding financial stability and maintaining confidence in the banking system;
63. Recalls the ECOFIN statement of 8 December 2015 and the commitment made in it to consider, after completion of the ratification of the IGA, the full transposition of the BRRD and the establishment of the bridge financing arrangements as well as the way forward and timing in order to develop a common backstop to facilitate borrowings by the SRF, to be fully operational at the latest by the end of the transition period; stresses, however, that a common fiscal backstop will be used only as a last resort should the other prudential measures to strengthen supervision and crisis management not be able to eliminate the risk; recalls that the backstop should be fiscally neutral in the medium term, and underlines the importance of avoiding moral hazard; underlines that the banking sector should remain liable for repayment by bank levies in all participating Member States, including ex post.

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[The European Parliament,]

10. Asks the Commission to come forward with proposals to improve macroprudential oversight and the policy tools available for risk mitigation in shadow banking, in the light of the ECB’s warning in its annual report that, given the steady expansion over the last decade – to EUR 22 trillion in assets – of non-bank credit intermediation, further initiatives are needed to monitor and assess vulnerabilities in the growing shadow banking sector;

19. Draws attention to Article 123 TFEU, Article 21 of the Statute of the European System of Central Banks, and Article 7 of Council Regulation (EC) No 3603/93 of 13 December 1993, which prohibit the direct purchase by the national central banks or the ECB of debt instruments issued by EU or national public authorities or bodies; recalls, however, that such purchases are allowed in secondary markets;

21. Welcomes the step forward taken by the ECB in publishing the summary minutes of its meetings, and looks forward to the announcement of further steps to improve the transparency of its communication channels; considers that further progress could still be made, especially with regard to the SSM;

22. Welcomes the now generalised tendency of major central banks to publicly explain monetary decisions immediately after they are taken, a practice that was spearheaded by the ECB; further welcomes the publication of clearer and more transparent emergency liquidity assistance (ELA) procedures for solvent financial institutions (mostly national banks) facing temporary liquidity problems.

**Oral / Written Questions**

**Money laundering in the EU banking sector**, E-002182/2018, Question for written answer to the Commission, Rule 130, Sven Giegold (Verts/ALE), 18-04-2018
There have been several new cases of European banks being caught up in money laundering scandals, including ABLV in Latvia, Versobank in Estonia, Dankse Bank in Denmark and its subsidiary in Estonia.

All these scandals show how vulnerable the EU banking sector is to money laundering risks. Banking supervision is fragmented and the European Central Bank — which has the power to withdraw banks’ licences — does not have an explicit mandate to fight money laundering. The Chair of the Single Supervisory Mechanism Board, Danièle Nouy, herself confirmed that the banking union suffers from several shortcomings in the fight against money laundering. Responsibility for anti-money laundering supervision lies with national regulators, which sometimes do not have enough resources to check the billions flowing in and out of their country or, even worse, do little to stop illegitimate flows. The problem will persist even under the fifth revision of the Anti-Money Laundering Directive which will come into force at the end of 2019.

How does the Commission plan to overcome the banking union’s shortcomings?

Does it support direct European institutional capacities and powers at the European Central Bank, the European Banking Authority or elsewhere to fight financial crime in the EU and the banking union?

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Court of Auditors’ assessment of the WCCA template, E-000227/2018, Question for written answer to the Commission, Rule 130, Barbara Kappel (ENF), 16-01-2018

According to the Court of Auditors, the ECB’s WCCA (Written Coordination and Cooperation Arrangements) template does not include the required minimum set of information to be exchanged between college members in a crisis scenario. The ECB has not provided the Court of Auditors with examples showing the ECB has agreed on this minimum set of information. The section of the template to be used for exchanges between supervisory colleges and resolution colleges is also incomplete.

1. Does this contravene Commission Delegated Regulation 2016/98?

2. If so, how does the Commission intend to ensure compliance with the regulation?

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When the Single Supervisory Mechanism (SSM) was introduced, certain supervisory powers were transferred from national courts of audit to the Court of Auditors of the EU (Article 20(7) of the SSM Regulation). However, the effectiveness with which public responsibilities are discharged is not subject to supervision under these provisions. This gives rise to a lacuna in supervision.

1. Does the Commission agree that, since powers were transferred from national courts of audit to the Court of Auditors, a lacuna has arisen with regard to monitoring the effectiveness of the ECB’s discharge of its public responsibilities?

2. In connection with the evaluation of the ESM, does the Commission aim to reinforce the mandate of the Court of Auditors in relation to the ECB, preferably to increase its powers to put them on a par with those vested in the Netherlands Court of Audit at national level?

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**National audit authorities’ audit powers in connection with bank supervision**, E-011490/2015, Question for written answer to the Commission, Rule 130, Barbara Kappel (ENF), 17-07-2015

According to a letter from the President of the Austrian Court of Auditors, Dr Josef Moser, there are differences in the way checks are carried out on the bank supervision arrangements established at European level. With regard to bank supervision, the Single Supervisory Mechanism Regulation did not clearly apportion audit powers between the European Court of Auditors (ECA) and the European Central Bank (ECB). According to Dr Moser, there is a risk that audit powers will be restricted.

1. Does the Commission regard the current ECA-ECB share out of audit powers in connection with bank supervision as sufficient?

2. On what grounds have banking union audit powers not been conferred on the ECA in their entirety?

3. What conditions must be met for a ‘significant’ bank to be inspected by supervisors, and how is ‘significant’ defined in this context?

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**Supervisory Review and Evaluation Process (SREP)**, E-003892/2015, Question for written answer to the Commission, Rule 130, Nicola Caputo (S&D), 11-03-2015

As is well-known the ‘Supervisory Review and Evaluation Process’ (SREP) is the process of review and prudential assessment carried out annually in order to ensure that banks and banking groups have equipped themselves with capital and organisational safeguards appropriate to the risks taken on, ensuring overall operational equilibrium.
| | For the major banks, this process was first conducted by the Banca d’Italia and is now conducted by the ECB under the ‘Single Supervisory Mechanism’ (SSM).  
It was announced that, as part of its new powers, the ECB has started and is currently in a European race to obtain support from consulting firms on the SREP, relating to on-site monitoring activity. This recourse to outside companies, if implemented in the future on an ongoing basis, seems to presuppose the birth of a different structure to that originally imagined.  
I therefore ask the Commission, subject to the well-known independent responsibilities of the ECB, how can it promote, with reference to the SREP, and in consultation with the Council, a dialogue with the ECB on the following aspects: a) the opportunity to establish swift and structured organisational processes; b) the adoption of caution regarding the reduction of costs and conflicts of interest? |
**Special report 3/2018 of 23 January 2018**

**Audit of the Macroeconomic Imbalance Procedure (MIP)**

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<td>Special Report 03/2018: Audit of the Macroeconomic Imbalance Procedure (MIP)</td>
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**Questions asked:**
The main audit question was: Is the MIP soundly based and adequately implemented?

The audit assessed the effectiveness of the Commission’s implementation of the MIP during the period from 2012 to 2017. The MIP was examined in detail for a sample of four Member States (Bulgaria, Spain, France and Slovenia), covering other Member States, where appropriate, to a lesser degree. More specifically, it examined:

a) the effectiveness of the implementation of the procedure based on the evolution of Member States’ classification of imbalances and the reasons underlying the low implementation of Macroeconomic Imbalance Procedure Country-specific recommendations (MIP-CSRs);
b) the process of classifying macroeconomic imbalances in Member States;
c) the Commission’s use of analytical tools and economic analysis to identify and assess imbalances, and the evolving presentation of the results;
d) the appropriateness of the scoreboard and the Alert Mechanism Report (AMR) as a whole in the MIP.

**Findings:**

1. **Member States are identified as having imbalances over several years, and corrective policies are under-implemented**
   a) Member States generally remain in imbalance for several years
b) Despite frequent and intensive monitoring, the implementation of MIP-CSRs by the Member States has been low

2. The classification of imbalances lacks transparency, and the EIP has never been activated

   a) The system of categories has typically been complex and subject to change
   b) The link between analysis and category of imbalances is not always clear
   c) In late phases, the process is political rather than technical

3. The prominence of IDRs has considerably decreased over time. Analytical quality remains good, but some key aspects of IDRs need improvement

   a) The prominence of IDRs has considerably decreased over time
   b) Despite a good standard of analysis, some aspects of IDRs need improvement

4. The AMR and the scoreboard play a limited role in the MIP

Recommendations:

1. With regard to the implementation of the MIP-CSRs the Commission should

   a) systematically link MIP-CSRs to macroeconomic imbalances identified in the IDR; the measures included in MIP-CSRs should be sufficiently detailed for their implementation to lead to a substantive and noticeable reduction in imbalances;
   b) also clearly distinguish between MIP policy actions designed to reduce imbalances in the short-to-medium term with a view to avoiding crises, and reforms aimed at preventing the accumulation of imbalances by boosting potential growth in the long term; c. make ex-ante and ex-post assessments of the impact on imbalances of the policy actions set out in MIP-CSRs; as well as on the impact of the whole procedure including sanctions if this is the case; d. provide a realistic timeframe to facilitate the implementation of the MIP-CSRs.

2. With regard to the classification of imbalances the Commission should

   a) provide a clear characterisation of the severity of the imbalances a Member State is facing in the IDR, as required by the MIP Regulation;
b) adopt, publish and apply clear criteria and processes for the classification of imbalances;

c) recommend the activation of an EIP when there is evidence that a Member State is facing excessive imbalances, particularly where there is a high risk of instability, the imbalances are persistent or have had spill-over effects, or remedial actions have been unsatisfactory; if the Commission uses its discretionary powers to refrain from taking this step, under specific circumstances, it should clearly and publicly explain its reasons;

d) in the context of the 2019 MIP review, propose amendments to the MIP Regulation to codify the circumstances in which the Commission would not recommend activation of an EIP even when it has concluded that a Member State is facing excessive imbalances.

3. With regard to the characteristics of IDRs the Commission should

a) provide a comprehensive and separately presented IDR with a length and level of detail that reflects the severity of the situation and the policy challenges in order to provide a clear assessment of the severity of the macroeconomic imbalances facing a Member State and ease identification of the most suitable response;

b) not publish the scoreboard with the IDR but should provide access to database with the country-specific variables actually used in its analysis.

4. With regard to acknowledging the impact of fiscal policy on external imbalances and competitiveness the Commission should, where appropriate, systematically analyse the impact of fiscal policy on external imbalances and competitiveness in IDRs, and should use the MIP to make recommendations to Member States when fiscal issues directly affect external imbalances (should apply both to Member States with large current account surpluses and to those with deficits); taking also into account if the impact is more national or EU width as well as the sector or sectors of the economy involves.

5. With regard to the Euro-area dimension the Commission should a. through the MIP process, give systematic consideration to policies with cross-country impacts that can enhance symmetric rebalancing within the euro area; b. make MIP-CSRs consistent with recommendations for the euro-area relevant to imbalances, including on the overall fiscal stance, when appropriate.

6. With regard to visibility and communication of the MIP the Commission should give greater prominence to the MIP by

a) increasing its references to the procedure in communication with Member States;
b) making the relevant Commissioners available to parliaments of Member States, whenever the Commission has assessed imbalances as being excessive, so that they can explain the rationale for its decisions and corresponding policy recommendations.

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<tr>
<td>Rapporteur: Inés Ayala Sender</td>
<td>Recommendations by the rapporteur,</td>
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<td></td>
<td>2. Points out that the MIP is part of the European Semester exercise, which starts with the Annual Growth Survey (AGS) and the Alert Mechanism Report (AMR) in autumn of the year n-1; if the AMR, based on a scoreboard of indicators and thresholds, signals that a specific problem might arise, the respective Member State is submitted to an IDR;</td>
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<td>3. Points out that the MIP was designed as a response to the economic and financial crisis in Europe as macroeconomic imbalances were one of the root causes of the crisis. Therefore the conceptual design of the MIP needs to be developed constantly in order to overcome imbalances and ensure social and economic stability;</td>
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<td>4. Notes that, if, on the basis of the outcomes of the IDR, the Commission finds that “macroeconomic imbalances” exist, it informs the EP, the Council and the Eurogroup; the Council, on recommendation from the Commission, may then address a recommendation to the Member State concerned (in accordance with procedure set out in Art. 121.2 TFEU); these preventative MIP-recommendations form part of the CSRs;</td>
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<td>5. Notes the lack of consistency between the macroeconomic analysis and the country specific recommendations identified by the Court of Auditors and the closely related challenge of identifying the root causes of economic imbalances;</td>
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<td>6. Notes that the number of Member States identified as having macroeconomic imbalances has risen since 2012 and improvements have been relatively rare; Concludes that the MIP was not effective due to miss-analysing the causes for macroeconomic imbalances;</td>
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<td>7. Concludes, together with the Court, that the Council recommendations are subject to political weighting; this seems to be the rule, rather than the exception;</td>
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<td>8. Is convinced that the political appreciation of economic data is a necessary exercise for as long as it is done in a transparent way, stating the economic facts, on the one hand, and the political reasons for the recommendation on the other;</td>
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9. Calls on the Commission to devise a system, which encourages Member States to implement the MIP-CSRs efficiently and effectively;

10. Calls on the Commission to explain and/or give evidence about the reasons to not activate an excessive imbalance procedure (EIP) when there is evidence that a Member State is facing excessive imbalances, particularly where there is a high risk of instability, the imbalances are persistent or have had spill-over effects, or remedial actions has been unsatisfactory.

<table>
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<th>Related EP Reports / Resolutions of other committees</th>
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<td>[The European Parliament, ]</td>
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<td>25. Is concerned about the low rate of compliance with the CSRs, including those aimed at fostering convergence, increasing competitiveness and reducing macroeconomic imbalances; believes that more national ownership through genuine public debates at national level would lead to better implementation of the CSRs; considers it important to ensure that national parliaments debate country reports and CSRs; believes that regional and local authorities should be better involved in the European Semester process; calls on the Commission to use all existing tools to enforce those CSRs aimed at addressing these challenges, which represent a threat to the sustainability of the monetary union.</td>
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<td><strong>European Parliament resolution of 26 October 2017</strong> on the economic policies of the euro area <em>(2017/2114(INI))</em></td>
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<tr>
<td>[The European Parliament, ]</td>
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<tr>
<td>29. Notes that 12 Member States are experiencing macroeconomic imbalances of varying nature and severity, while excessive imbalances exist in six Member States; takes note of the Commission’s conclusion that there are currently no grounds for stepping up the macroeconomic imbalance procedure for any Member State;</td>
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<td>30. Highlights that the macroeconomic imbalance procedure (MIP) is aimed at preventing imbalances within Member States with a view to avoiding negative spill-over effects to other Member States;</td>
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<td>31. Considers it of essential therefore that all Member States take the necessary policy action to address macro-economic imbalances, in particular high levels of indebtedness, current account surpluses and competitiveness imbalances, and commit to socially-balanced and inclusive structural reforms ensuring the economic sustainability of each individual Member State, thereby ensuring the overall competitiveness and resilience of the European economy.</td>
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(The European Parliament,)

34. Notes that the Commission considers that fiscal sustainability remains a priority, and that challenges have receded since the peak of the crisis and they may not be a major source of risks for the euro area as a whole in the short term;

35. Notes as well that the Commission considers that challenges persist, and that legacies inherited from the crisis, as well as structural deficiencies, remain and need to be addressed if long-term risks are to be avoided;

36. Underlines the fact that all Member States are obliged to comply with the SGP, with full respect of its existing flexibility clauses; points, in this regard, also to the importance of the Treaty on Stability, Coordination and Governance (TSCG), and urges the Commission to submit a comprehensive assessment of its experience in implementing it, as a basis for the necessary steps to be taken in accordance with the TEU and the TFEU with the aim of incorporating the substance of this Treaty into the legal framework of the EU;

37. Notes that while six Member States continue to be under the Excessive Deficit Procedure (EDP), there is a decrease of the average public deficit level, which is expected to have remained below 2% in 2016 and to continue to fall in the coming years, and that only two Member States are expected to remain under the EDP in 2017; notes that, in several cases, the large increase in debt in the recent past is also the result of bank recapitalisation and low growth; underlines that when interest rates begin to rise again, difficulties in improving public finances could increase;

38. Emphasises the Commission’s role as guardian of the treaties; underlines the necessity for an objective and transparent evaluation of the application and enforcement of commonly agreed legislation;

39. Insists that there should be no differentiated treatment between Member States; notes that only a fiscal policy that respects and follows Union law will lead to credibility and trust between Member States, and serve as a cornerstone for the completion of EMU and the trust of the financial markets;

40. Invites the Commission and the Council to be as specific as possible when addressing fiscal recommendations under the preventive and corrective arm of the SGP in order to increase transparency and enforceability of the recommendations; underlines the need to include in the recommendations, under the preventive arm, both the target date of the country-specific medium-term-objective and the fiscal adjustment required to achieve or remain at it;
1. Considers that macroeconomic imbalances inside Member States should be addressed in line with the Macroeconomic Imbalance Procedure (MIP) through efforts involving all Member States, building on relevant reforms and investments; stresses that each Member State must deliver on its individual responsibilities in this context; notes that high current account surpluses imply the possibility of greater domestic demand; stresses that high public and private debt levels represent a significant vulnerability, and that responsible fiscal policies and higher growth are needed to reduce them faster;

42. Notes that, while public finances have improved over the recent years, following the assessment of the 2017 DBPs, eight Member States are considered to be at risk of non-compliance; considers that the agreed fiscal adjustment paths need to be adhered to;

43. Welcomes the reduction in average public deficits and debts, but agrees that aggregate pictures hide significant disparities across the Member States; stresses that aggregate pictures should always be looked at in conjunction with the examination of individual budgets, and underlines the need for sound fiscal policies in anticipation of rising interest rates; considers that upward convergence, in particular between euro area Member States, needs to be achieved.

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**European Parliament resolution of 6 July 2016** on the strategic priorities for the Commission Work Programme 2017 ([2016/2773(RSP)](http://example.com))

[The European Parliament, ]

37. Considers that the Commission should consistently improve its monitoring of debts, deficits and macroeconomic imbalances in a way that respects the Stability and Growth Pact and encourages economic growth and job creation, with increased attention to the euro area’s aggregate fiscal stance;

38. Believes that the EU needs to improve the credibility, consistency, national ownership and democratic legitimacy of the European Semester in order to ensure that Member States implement the country-specific recommendations with structural reforms and investments aimed at modernising their economies and increasing competitiveness, pursue fiscal responsibility and tackle inequalities and imbalances.

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[The European Parliament, ]
3. Notes that the European Union’s global competitiveness remains an important objective and points to the importance of structural reforms, investment in R&D, resource efficiency, productivity-enhancing innovation and a reduction of macroeconomic imbalances; at the same time considers that the worsening global outlook also calls for domestic demand to be strengthened in order to make Europe’s economy more resilient; is concerned notably by a possible slow-down in global demand;

4. Considers that macroeconomic imbalances should be addressed through a coordinated effort involving all the Member States, building on relevant reforms and investments; stresses that each Member State must deliver on its individual responsibilities in this context; notes that high current account surpluses imply the possibility of greater domestic demand; stresses that high public and private debt levels represent a significant vulnerability and that responsible fiscal policies and higher growth are needed to reduce them faster;

5. Calls for further efforts to support recovery and foster convergence towards the best performers and correct macroeconomic imbalances, including by increasing productivity and boosting investment;

25. Emphasises that, given its high level of interdependence and the singleness of its monetary policy, the euro area is an economic entity where convergence towards best performers must be promoted and supported by stronger coordination of national policies; emphasises the importance of enhanced action by all national governments to implement inside their Member States the economic reforms and investments needed to reduce macroeconomic imbalances and to prevent negative spillover effects of national policies into other Member States; calls therefore for an in-depth assessment of these macroeconomic imbalances and spillovers to complement the assessment of each country’s specific vulnerabilities and the Macroeconomic Dialogue; insists on full coherence between the euro area recommendation and country-specific recommendations;

28. Notes that while the euro area’s high current account surplus is a welcome sign of the euro area’s external competitiveness, its current level also reflects lack of internal investment, with adverse effects on growth and employment; considers that stronger domestic demand would be better for the euro area’s sustainable growth, as well as from a global viewpoint; is aware that some Member States’ current account surplus goes together with positive spillover effects across the value chain, which can benefit some other Member States in various ways; acknowledges also the role of the single currency in helping more competitive countries to maintain high surpluses vis-à-vis the rest of the world; welcomes the finding in the Commission’s 2016 winter forecast that economic growth in some Member States in 2015 has been driven mainly by domestic demand; considers it important that Member States with higher current account surpluses continue to expand their domestic demand for their own and general benefit; at the same time calls on less competitive Member States to implement effectively structural reforms and high-quality investments in order to modernise their economies and establish a sustainable business environment for long-term investment in line with the Europe 2020 Strategy; considers this to be the best way to reduce macroeconomic imbalances inside Member States rather than internal devaluation, which weakens demand and slows down economic growth across the euro area;

31. Calls for measures preventing a race to the bottom in terms of taxation and social standards, which leads to an increase in inequalities; recalls the need to maintain international competitiveness based on productivity and upward convergence; welcomes the increased attention to three
employment-related indicators in the macroeconomic imbalances scoreboard and asks the Commission to put them on an equal footing with the others; also considers that analysis of the existing scoreboard of key employment and social indicators and relevant indicators of resource efficiency should be properly taken into account in policy guidance.

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**European Parliament resolution of 17 December 2015 on completing Europe’s Economic and Monetary Union (2015/2936(RSP))**

[The European Parliament, ]

2. Takes note of the Commission’s Annual Growth Survey 2015, which endeavours to promote a return to higher growth levels and to strengthen the recovery; supports the three main pillars approach (boosting investment, accelerating structural reforms and pursuing responsible growth-friendly fiscal consolidation) as the right way to achieve these goals; considers that this approach should be fully incorporated into the upcoming country-specific recommendations (CSRs); supports the Commission’s suggestions for improving the European Semester by streamlining existing procedures, including its timetable, and increasing the involvement of national parliaments with a view to strengthening national ownership, considering that only around 9% of the CSRs were fully implemented by the Member States in 2013; calls on the Commission to come forward rapidly with robust data for the implementation of CSRs in 2014 [...];

4. Underlines the fact that the European Semester, introduced in 2010, is establishing an annual cycle of economic policy coordination involving a detailed analysis of Member States’ plans for budgetary, macroeconomic and structural reforms;

5. [...] welcomes the proposal by the Commission to streamline the European Semester; points out that one-size-fits-all approaches in preparing CSRs should be avoided;

31. Welcomes the Alert Mechanism Report; welcomes the gradual reduction of internal imbalances in the Member States; draws attention to the external imbalances of several Member States, including the large trade surpluses; notes a loss of global market shares for the EU as a whole;

32. Points out that the objective of the macroeconomic imbalance procedure is not only meant to avoid strong negative effects on growth and employment inside a country, but also to prevent the effects of ill-designed national policies from spilling over into other Member States in the euro area; notes the announcement of the December 2014 European Council to move the debate on closer coordination of economic policies in the EMU forward in 2015, through the Four Presidents’ Report;

33. Reiterates its view that the current economic governance framework is lacking sufficient democratic accountability in the application of its rules and of the institutions and bodies involved; calls on the Commission to make the necessary proposals to address the lack of proper democratic accountability in EU economic governance;
34. Notes that consideration should be given to the effects of the significant fall in oil prices and to whether this windfall should be passed on entirely to consumers of fossil fuels or shared, with governments increasing taxes on fossil fuels in order to diminish their deficits, finance investments, avoid undermining climate change policies and lessen disinflationary effects;

37. Calls for greater uniformity in the presentation of public accounts so as to facilitate comparisons and prevent excessive macroeconomic imbalances; calls in particular for the way in which Member States enter their contributions to the EU budget in their accounts to be standardised.

European Parliament resolution of 16 February 2017 on budgetary capacity for the euro area (2015/2344(INI))

[The European Parliament, ]

18. Notes additionally that the current system does not sufficiently ensure national ownership of Country-Specific Recommendations; is interested in this regard in the potential offered by the Advisory European Fiscal Board and its future mission of advising the Commission on a fiscal stance that would be appropriate for the euro area as a whole.


[The European Parliament, ]

80. Calls on the Commission to take measures to improve the implementation of country-specific recommendations by Member States and to accelerate and enforce the implementation of structural reforms and investments aimed at modernising the EU economy, using the tools provided for in the Six Pack and Two Pack, and the economic governance legislation; calls on the Commission to take into due consideration its duties and powers under the Two Pack legislation when dealing with countries under enhanced surveillance or under a macroeconomic adjustment programme.


[The European Parliament, ]

2. Stresses that at the core of the economic governance system is the prevention of excessive deficit and debt levels and excessive macroeconomic imbalances, as well as the economic policy coordination; underlines therefore that the central question in the review is whether the EMU has been
Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

made more resilient by the new economic governance framework, notably as far as its ability to avoid a Member State to default on its debt is concerned, while contributing to closer coordination and convergence of Member States' economic policies and ensuring a high level of transparency, credibility and democratic accountability;

5. Acknowledges that an assessment of the application of the six-pack and two-pack at this stage remains partial and cannot be isolated from the European Semester, the TFEU and the Fiscal Compact;

6. Welcomes the 6- and 2-Packs' broadening of the scope of the stability and growth pact through the addition of procedures to prevent and correct macroeconomic imbalances inside and among Member States and shift the overreliance on the deficit criterion to attention to both the deficit and the overall debt, thus trying to identify and correct possible problems and preventing the emergence of crises at the earliest stage possible, while at the same time allowing flexibility in the form of clauses for structural reforms, investments and adverse business cycle conditions; recalls that flexibility cannot endanger the preventive nature of the Pact;

7. Underlines the importance of the scoreboard to identify macroeconomic imbalances at an early stage and the importance of sustainable structural reforms when trying to overcome macroeconomic imbalances;

9. Believes that the current economic situation with its fragile growth and high unemployment calls for urgent, comprehensive and decisive measures in an holistic approach based on growth-friendly fiscal consolidation, structural reforms and boosting investment in order to restore sustainable growth and competitiveness, to foster innovation and to fight unemployment while addressing the risk of persisting low inflation or possible threat of deflationary pressure, as well as persistent macroeconomic imbalances; highlights that the economic governance framework must constitute a key component of this holistic approach to be able to address these challenges;

10. Agrees with Commissioner Thyssen's statement that countries that provide high-quality jobs and better social protection and invest in human capital are more resilient to economic crises; calls on the Commission to reflect this position as it moves forward in all of its European semester policy and country-specific recommendations;

32. Insists that the Annual Growth Survey (AGS) as well as the country-specific recommendations (CSR) must be better implemented and take into account the assessment of the budgetary situation and prospects both in the euro area as a whole and in the individual Member States; suggests that this overall assessment foreseen in Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area should be submitted to a plenary debate of the European Parliament with the Council, the President of the Eurogroup and the Commission prior to the Spring Council and properly implemented throughout the European Semester;
35. Requests that the Country Specific Recommendations (CSRs) be, where relevant, better coordinated with the Excessive Deficit Procedure (EDP) recommendations so as to ensure consistency between surveillance of the fiscal position and economic policy coordination;

39. Supports the Commission three-pillar strategy (growth-enhancing investments, fiscal consolidation and structural reforms), presented in the AGS 2015 and ask to make it more concrete under the overall assessment of the budgetary situation and prospects in the euro area and in the CSRs;

41. Recalls that the MIP is meant to avoid crises to happen through the early identification of harmful macro-economic imbalances on the basis of an objective assessment of the development of the key macroeconomic variables; believes that the MIP must be used to assess in an efficient and effective manner the development of key macroeconomic variables in both deficit and surpluses countries, particularly with regard to strengthening competitiveness and better taking into account the euro area as a whole, including spillover effects; recalls that macroeconomic surveillance is also aimed at identifying countries that are likely to experience a future imbalance and to avoid it through the timely launching of sustainable and socially balanced structural reforms, when room for action is still available.


(The European Parliament, )

31. Welcomes the Alert Mechanism Report; welcomes the gradual reduction of internal imbalances in the Member States; draws attention to the external imbalances of several Member States, including the large trade surpluses; notes a loss of global market shares for the EU as a whole;

32. Points out that the objective of the macroeconomic imbalance procedure is not only meant to avoid strong negative effects on growth and employment inside a country, but also to prevent the effects of ill-designed national policies from spilling over into other Member States in the euro area; notes the announcement of the December 2014 European Council to move the debate on closer coordination of economic policies in the EMU forward in 2015, through the Four Presidents’ Report;

33. Reiterates its view that the current economic governance framework is lacking sufficient democratic accountability in the application of its rules and of the institutions and bodies involved; calls on the Commission to make the necessary proposals to address the lack of proper democratic accountability in EU economic governance;

37. Calls for greater uniformity in the presentation of public accounts so as to facilitate comparisons and prevent excessive macroeconomic imbalances; calls in particular for the way in which Member States enter their contributions to the EU budget in their accounts to be standardised.
European Parliament resolution of 22 October 2014 on the European Semester for economic policy coordination: implementation of 2014 priorities (2014/2059(INI))

[The European Parliament,]

13. Underlines the fact that the EMU is far from complete and reminds the Commission of its obligations and commitments to take into account macroeconomic imbalances inside the EU and notably the eurozone to enhance economic and budgetary coordination and strengthen competitiveness in the EU; welcomes, in this respect, the commitment by the next President-elect of the Commission to deliver on the roadmap set out the report of 5 December 2012 entitled 'Towards a Genuine Economic and Monetary Union';

19. Notes the 2014 package of country-specific recommendations (CSRs) by the Commission; notes the Commission’s assessment that some progress has been achieved in sustaining fiscal consolidation and structural reform, particularly in modernising labour markets, pension and health care systems;

29. Underlines the fact that a proper, democratically accountable system for the European semester as well as the implementation of CSRs is an important condition for achieving economic convergence in the EMU, which is key to the proper functioning thereof; allowing for financial and economic stability and a high level of competitiveness for the European economy that is conducive to growth and jobs; looks to Member State governments to actively defend and implement at national level decisions on CSRs which have been adopted by all Member States in the Council (‘national ownership’);

36. Believes that with regard to the forthcoming European Semester, a long-term and balanced strategy for growth- and investment-friendly fiscal consolidation should be pursued to improve fiscal sustainability; stresses, however, the fact that special emphasis should be placed on growth-enhancing reforms and policies especially by those Member States that have fiscal space to invest in order to promote growth and facilitate rebalancing in the Euro area; points out that the existing legal framework makes it possible, provided reforms have been initiated, to allow Member States a degree of flexibility, and urges that this flexibility should be exploited;

63. Emphasises that while wages are an important variable in resolving macroeconomic imbalances in the eurozone, they are not merely a tool for economic adjustment but above all the income workers need to live on; calls on the Commission to ensure that recommendations relating to wages do not increase in-work poverty or wage inequalities within Member States, or harm low-income groups.
### Oral / Written Questions

**Commission recommendations to Germany**, E-003372/2018, Question for written answer to the Commission, Rule 130, Dimitrios Papadimoulis (GUE/NGL), 20-06-2018

The recent report of the Commission to Germany in May 2018 included recommendations concerning the extreme surplus as well as the reforms required for the German economy to stop being a factor of instability for the entire euro area.

The Commission report talks of macroeconomic imbalances as well as delays in consumption and investments. It also refers to commitments in measures that would boost internal demand and public investments, but are constantly being postponed and are, as a result, below the eurozone average. For example, the expenditure for education remained below the European average by 0.5% in 2016 and investment goals fell short by EUR 33 billion. Evidence shows that current investments have increased for large enterprises whereas less investments are made in small or medium-sized ones.

Given that Germany is still not complying with the Commission’s recommendations:

1. How does the Commission monitor the implementation of these recommendations to the German economy and, specifically, those concerning the increase in demand (increases in salaries, improvement of workplaces, reduction of working hours etc)?
2. Which Commission recommendations have been implemented until now regarding public spending, which ones are expected to be implemented and what is the schedule for their implementation?

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**Excessive deficit penalties for Spain**, E-006497/2016, Question for written answer to the Commission, Rule 130, Carolina Punset (ALDE), 31-08-2016

The Commission has launched disciplinary proceedings against Spain and Portugal for running excessive deficits in 2014 and 2015. The proceedings could result in financial penalties and in 50% of structural funding being frozen.

This is an exceptional situation, given that to date no penalties have ever been imposed on countries that have breached the Stability and Growth Pact: not even when France and Germany flouted it on 14 occasions between 2000 and 2010. In view of this:

Does the Commission not take the view that imposing fines and cutting investment might have a negative impact on growth, which is vital in a country with 20% unemployment?
<table>
<thead>
<tr>
<th><strong>Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Is the Commission aware that its decision may drive a deeper wedge between the citizens and institutions of the EU, providing ammunition for political movements that use populist discourse to attack the Union?</strong></td>
</tr>
<tr>
<td><strong>Is the Commission intending to report Germany for failing to comply with the Macroeconomic Imbalance Procedure, given that since 2010 the country has had an increasingly large, excessive trade surplus (over 6% of GDP), given that it had a current-account surplus of 6.9% between 2012 and 2014 (when it rose to 7.4%), and given that this means less internal investment, lower growth and lower levels of consumption, and leads to lower growth in the rest of the eurozone?</strong></td>
</tr>
<tr>
<td><strong>Five Presidents’ Report - Strengthening the Macroeconomic Imbalance Procedure, E-013429/2015, Question for written answer to the Commission, Rule 130, Ivana Maletić (PPE), 01-10-2015</strong></td>
</tr>
<tr>
<td>The specific recommendations to the Member States specifically emphasise the need to encourage investment in order to support future growth; to implement ambitious structural reforms on the markets for goods, services and labour in order to increase productivity, competition and investment; to implement responsible fiscal policies in order to attain a balance between short-term stabilisation and long-term sustainability; to improve employment and social security policies in order to train, support and protect people from cradle to grave, and in order to secure greater social cohesion as a key factor in sustainable economic growth.</td>
</tr>
<tr>
<td>Most of the specific recommendations cannot be implemented without the participation of local and regional authorities in the Member States. Are there plans to include local and regional authorities more meaningfully in the decision-making process and the implementation of the specific recommendations?</td>
</tr>
<tr>
<td><strong>Trade surpluses or transfer of benefits, E-008574/2015, Question for written answer to the Commission, Rule 130, Ernest Maragall (Verts/ALE), 29-05-2015</strong></td>
</tr>
<tr>
<td>According to Eurostat, Ireland is running a foreign trade surplus (goods and services) in excess of 20% and Luxembourg of 30%, although the MIP (macroeconomic imbalance procedure) shows much lower figures, and therefore no recommendation has been made on account of exceeding the limit of 6%.</td>
</tr>
<tr>
<td>How can this difference between the Eurostat figures and the MIP be explained?</td>
</tr>
<tr>
<td><strong>Assuming that the Eurostat figures are correct, does this disproportionate surplus not equate to the transfer of benefits to countries with lower taxation?</strong></td>
</tr>
</tbody>
</table>

*Macroeconomic imbalances within the EU*, E-008701/2015, Question for written answer to the Commission, Rule 130, Dimitrios Papadimoulis (GUE/NGL), 30-05-2015

In its Alert Mechanism Report 2015, the Commission expresses serious concern at the macroeconomic imbalances in the EU Member States, referring in particular to the volume of private and public debt and the need for measures to remedy what it describes as ‘asymmetric’ external balances. In this connection, the countries of the ‘South’ have needed to introduce swingeing austerity measures to bring down their external deficits, in contrast to countries such as Germany and the Netherlands that still have massive surpluses.

Given that current account deficits and surpluses both create dangerous macroeconomic imbalances in an economic and monetary union:

1. What recommendations has the Commission made following its examination of the macroeconomic imbalances and for which Member States? To what extent are they being implemented?

2. What economic policy measures has it recommended regarding those countries with the largest external surpluses overall (Germany, the Netherlands, Denmark and Sweden), what adjustment schedules have been submitted by the Member States concerned and to what extent are they being adhered to?

*Macroeconomic Imbalance Procedure*, E-001154/2015, Question for written answer to the Commission, Rule 130, Hugues Bayet (S&D), 28-01-2015

The Macroeconomic Imbalance Procedure (MIP) was introduced in 2011 with a view to providing the Economic and Monetary Union with a surveillance mechanism capable of preventing the emergence of severe imbalances and correcting existing ones, and providing it with means to ensure compliance with this mechanism.

The MIP covers a wide range of issues, from external sustainability to asset prices.

Both the Council and Parliament have underlined the importance of taking account of the social dimension as well as macroeconomic parameters.
It is essential to factor in social conditions and the labour market in the Member States, in addition to the very close correlation between unemployment levels — particularly youth unemployment — and the quality of education and training within a given territory.

What action does the Commission intend to take to ensure that greater emphasis is placed on social indicators, especially those linked to education and employment, within the framework of the European Semester?

*******

Calculating structural balances, E-009846/2014, Question for written answer to the Commission, Rule 130, Renato Soru (S&D), 27-11-2014

Estimates of potential output, which are of key importance in calculating the structural balance for each Member State and assessing implementation of the country-specific recommendations, are based on variables such as the non-accelerating wage rate of unemployment which are themselves the product of calculations in which arbitrary choices are made in respect of a number of key parameters. The ECB has itself stated, in a paper it published recently, that increased reliance within the EU fiscal governance framework on unobservable magnitudes such as the structural budget balance will continue to impede the timely identification of underlying fiscal imbalance. In view of the major influence these calculations have on economic policy and their impact on individuals and businesses in the Member States, can the Commission say:

— what it will do to minimise errors in the calculation of the above parameters;
— how it intends to obviate the risk of forecasts becoming self-fulfilling prophecies, with under-estimates of potential output resulting in the adoption of restrictive fiscal policies which in turn serve to stifle potential output?

*******

Discrepancy between the Alert Mechanism Reports and the Scoreboard for the Macroeconomic Imbalance Procedure (MIP), E-007307/2014, Question for written answer to the Commission, Rule 130, Marco Zanni (EFDD)++, 30-09-2014

The agreements contained in the Six-Pack provide for serious sanctions (Regulation 1174/2011) for countries that have an excessive current account imbalance (the parameters are set out in the Macroeconomic Imbalance Procedure provided for in Regulation 1176/2011) for three consecutive years (more than + 6% - 4%).

It should be noted that the documents containing the data for Germany are inconsistent.

There is also a discrepancy between the Alert Mechanism Reports that have been published and the Scoreboard for the Macroeconomic Imbalance Procedure, to which the former should refer.
In view of the above, will the Commission say:

1. What are the real indicators for the German economy and why does this discrepancy exist?

2. In the light of the data of the Scoreboard for the Macroeconomic Imbalance Procedure, would it be fair to say that Germany recorded a current account surplus for six years in succession (2007-2012)?

3. Has this issue affected the entire economy of the EU over the last five years and, if so, why has nothing ever been done to prevent it?

******

Discrepancy between the Alert Mechanism Reports and the Macroeconomic Imbalance Procedure Scoreboard, E-007232/2014, Question for written answer to the Commission, Rule 130, Marco Zanni (EFDD)+, 29-09-2014

The agreements contained in the Six-Pack provide for serious sanctions (Regulation (EU) No 1174/2011) for countries that have an excessive current account imbalance (the parameters are set out in the Macroeconomic Imbalance Procedure provided for in Regulation (EU) No 1176/2011) for three consecutive years (more than + 6%, -4%).

It should be noted that the documents containing the data for Germany are inconsistent.

There is also a discrepancy between the Alert Mechanism Reports that have been published and the Macroeconomic Imbalance Procedure Scoreboard to which the former should refer.

1. Can the Commission say what the real indicators for the German economy are and why does this discrepancy exist?

2. In the light of the data in the Macroeconomic Imbalance Procedure Scoreboard, would it be fair to say that Germany recorded a current account surplus for six years in succession (2007-2012)?

3. Has this issue affected the entire economy of the EU over the last five years and, if so, why has nothing ever been done to prevent it?

******

Social indicators and the European Semester, E-006220/2014, Question for written answer to the Commission, Rule 130, Renato Soru (S&D), 01-08-2014
The Macroeconomic Imbalance Procedure (MIP) was introduced in 2011 to endow the European Monetary Union with a surveillance mechanism capable of preventing the emergence of serious imbalances and correcting existing ones, and the means to ensure compliance.

The MIP covers a wide range of issues, ranging from external sustainability to asset prices.

Both the Council and Parliament have emphasised the importance of taking into account the social dimension in addition to macroeconomic parameters.

In coordinating EU economic policies as part of the European Semester, it is essential to take into account the social situation and the labour market within Member States as well as the very close correlation between the level of unemployment, particularly youth unemployment, and the quality of education and training within a given territory.

In view of the above, will the Commission say:

What steps will it take to strengthen the focus on social indicators, particularly those related to education and employment, as part of the European Semester?

*******

Scoreboard for the implementation of new European programmes, E-005689/2014, Question for written answer to the Commission, Rule 130, Alain Cadec (PPE), 09-07-2014

The ‘Report on the European Semester for economic policy coordination: Annual Growth Survey 2014’ was presented on 6 February 2014.

It calls on the Commission ‘to provide a regularly updated scoreboard on the implementation of the new programmes, allowing for comparisons to be made between Member States permitting more informed decisions regarding spending priorities in light of observable trends by the budgetary authority’.

Does the Commission intend to publish a scoreboard on the implementation of the new programmes? If so, when and in what way will this be done?
## Special report 4/2018 of 7 February 2018

### EU Assistance to Myanmar/Burma

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<td>Report No / Date / Title</td>
<td>Special report No 04/2018: EU Assistance to Myanmar/Burma</td>
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</table>

### Summary

Questions asked:

EU support to Myanmar/Burma was effective?

More exactly, the audit addressed the following questions:

(a) Did the European External Action Service (EEAS) and the Commission support well established development priorities?

(b) Did the Commission manage EU development aid well?

(c) Did the EU’s development support achieve its objectives?

The audit covered expenditure committed to over the 2012-2016 period and financed under the DCI. We examined 20 projects - 11 projects under the indirect management mode (of which 10 were managed by Trust Funds6 and one was implemented by a Member State Agency), and nine projects under direct management.

### Findings:

1. **Despite certain weaknesses, the EU played a leading role in supporting established development priorities**

   a) The EEAS and the Commission addressed the country’s needs

   b) The choice of development priorities was not sufficiently focused
c) The level of coordination varied

2. The Commission’s management of EU development aid was generally satisfactory but was affected by delays and shortcomings

   a) Actions were relevant but there were setbacks
   b) Implementation by the Trust Funds was affected by delays in committing and disbursing funds
   c) Cost-control provisions in EU-UN contracts had little impact
   d) Crisis contract procedures were applied too broadly
   e) The risk of double funding was not sufficiently mitigated
   f) There were weaknesses in the monitoring of EU-funded actions and visibility was low

3. The achievement of objectives was affected by implementation delays

   a) 3 projects were successful (LIFT – Microfinance project, 3MDG – Project supporting Maternal and Child Health, Project 20), despite the difficult context
   b) Delays and weaknesses affected the implementation of 75% of the projects

Recommendations:

The EEAS/Commission are asked to:

1. better focus the areas of support in order to increase the impact of the aid;
2. strengthen coordination with DG ECHO;
3. justify and document the allocation of funding to sectors and for actions;
4. enhance the cost-effectiveness of multi donor actions;
5. improve project management and ensure that EU actions have more visibility.
<table>
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<th>Recommendations by the rapporteur</th>
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<tr>
<td>The European Parliament:</td>
</tr>
<tr>
<td>3. Calls on the EEAS and the Commission to press ahead with the establishment of a long-term, comprehensive and ambitious development cooperation programme, using all the instruments at their disposal to help Myanmar develop and fine-tune its comprehensive development strategy, while at the same time taking steps to establish a national results framework with tools to measure the impact and sustainability of assistance;</td>
</tr>
<tr>
<td>4. Calls for a suitable policy mix to be defined with regard to EU intervention and in the selection of key development sectors on the basis of regular, sector-specific needs assessments, with a focus on fostering the viability, complementarity and sustainability of projects; calls for the results of the strategic country evaluation that is to be completed in 2018 to be forwarded to Parliament as soon as possible;</td>
</tr>
<tr>
<td>5. Deems it necessary, furthermore, to ensure there is enough flexibility in the design and implementation of support schemes, bearing in mind the particularly difficult political and operational situation, so as to consolidate national capacities more systematically and to ensure appropriate geographical coverage, taking account of the country’s actual absorption capacity;</td>
</tr>
<tr>
<td>6. Regrets the fact that the Commission has not sufficiently defined the regional geographical priorities of its assistance; notes that the first study on the specific needs of Rakhine State was carried out in 2017; takes the view that a specific assessment of Rakhine State should have been the priority of the European delegation when it arrived in 2013;</td>
</tr>
<tr>
<td>7. Calls for capacity-building in the public sector and within institutional structures so as to create a more responsible framework for governance, with more strategic support being provided for the country’s key audit institutions;</td>
</tr>
<tr>
<td>8. Points out that ‘state-building’ must be at the heart of the EU’s development strategy, in line with the principles for intervention in fragile situations, with a focus on institution-building, transparency and the efficient management of public finances, combined with enhanced political dialogue across the board;</td>
</tr>
<tr>
<td>9. Supports the consolidation of cooperation on the ground with international partners to increase the cost-effectiveness of multi-donor actions, as effective coordination among donors is still an essential prerequisite with a view to preventing the duplication and fragmentation of assistance;</td>
</tr>
<tr>
<td>10. Regrets the weaknesses identified in the exchange of information between DG DEVCO and DG ECHO in the states of Rakhine and Kachin; regrets the fact that a procedure for the exchange of information between the two DGs was not introduced until September 2016; with that in mind, calls for humanitarian and development aid to be dovetailed more effectively, with a stronger link being forged between relief, rehabilitation and development by means of a permanent inter-service LRRD (linking of relief, rehabilitation and development) framework;</td>
</tr>
</tbody>
</table>
1. Takes the view that integrated approaches, with clearly stated coordination targets and a coherent country strategy need to be put in place between DGs ECHO and DEVCO wherever possible, alongside the sharing of best practices; with that in mind, calls for the LRRD approach to be mainstreamed throughout the funding cycle;

11. Calls, furthermore, for the Commission to give more consideration to linking and moving from short-term humanitarian activities to long-term development interventions, and to establish coherent coordination, not only among the various development stakeholders on the ground, but also with national priorities by means of a common strategy and framework for humanitarian aid and development;

12. Recommends that improvements be made in monitoring the implementation of projects and actions by improving the justifications given, in programming and management documents, for allocations by priority sector, with a view to considering, where necessary, any readjustments in aid required in order to meet new needs between now and 2020, while at the same time seeking to raise the profile of EU actions; takes the view that donor visibility and adequate project management information are important in ensuring that all contributions are recognised and that accountability is maintained;

13. Regrets that fact that the largest component of the Joint Peace Fund has not been set aside for Rakhine State; takes the view that this represents a genuine missed opportunity for this particularly vulnerable region; calls on the Commission to expand the scope of the fund so that it covers Rakhine state;

14. Points out that where budget support is selected as one of the significant ways of implementing aid, the Commission must, in conjunction with other donors:
   - provide adequate support for capacity-building and focus on the key functions of public finance management, including accountability and anti-corruption mechanisms;
   - support the timely preparation of an appropriate public finance management reform programme;
   - where appropriate, lay down shorter-term measures for safeguarding EU funds against waste, leakage and inefficiency.

### Related EP Reports / Resolutions of other committees

**European Parliament resolution of 17 April 2018 on the implementation of the Development Cooperation Instrument, the Humanitarian Aid Instrument and the European Development Fund (2017/2258(INI))**

[The European Parliament, ]

18. Welcomes the fact that evaluations have underlined the strategic relevance of the DCI’s thematic programme, in particular its ability to promote global actions on public goods;

19. Takes note of the simplification, harmonisation and broader implementation modalities introduced in Regulation (EU) No 236/2014 on common rules for the implementation of the EFIs, which has brought about more effectiveness in the DCI; stresses that Regulation (EU) No 233/2014 establishing the DCI does not provide details on a monitoring and evaluation system for measuring the instrument’s performance; is extremely
concerned about the fact that the implementation procedures, some of them originating from the Financial Regulation, are still perceived as lengthy and burdensome, which discredits the EU and increases the appeal of approaches taken by certain countries which are seen as relying to a much lesser extent on formalities and conditions; recalls, in this context, that some of these procedures stem from the Financial Regulation, and not from the EFIs, while other requirements are based on the application of fundamental principles of development cooperation, such as partnership and ownership;

21. Is concerned that the mid-term evaluation of the DCI points to the risk of a perceived lack of compliance with the requirement to allocate at least 20 % of assistance under the DCI to basic social services such as health, and to secondary education and other social services, when these needs are essential to the development of these countries; is also concerned by the inadequate support given to national health systems, as well as the lack of data concerning results achieved in relation to education funding; reiterates the commitment made in the new European Consensus on Development to allocate at least 20 % of EU official development assistance (ODA) to social inclusion and human development;

22. Is satisfied with the objectives and results of the thematic programme dedicated to CSOs and local authorities, and calls for its retention in future instruments; is gravely concerned, however, at the shrinking space awarded for CSOs and local authorities in the programming and implementation phases of the programmes, and calls for a strengthened role for these bodies, including as service providers, as well as for more tailor-made cooperation modalities and a more strategic approach; underlines that the development of these countries can only be fully achieved through cooperation with legitimate local authorities.

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European Parliament resolution of 18 April 2018 on the implementation of the EU external financing instruments: mid-term review 2017 and the future post-2020 architecture (2017/2280(INI))

[The European Parliament,]

51. Calls for EU and universal values and human rights to remain at the core of all EU external actions;

52. Urges increased synergies and coherence between all instruments under Heading 4, as well as better coordination with bilateral assistance programmes of Member States and, where possible, other donors; calls, in this regard, on the Commission and the EEAS to strengthen their cooperation and coordination, including with CSOs and local actors, and to fulfil their responsibilities under Article 21 of the Treaty on European Union (TEU);
53. Calls for the establishment of solid, consistent and transparent monitoring and evaluation mechanisms; reiterates that such mechanisms would allow for the tracking of tangible progress on crucial reform-related goals in neighbouring countries, which is particularly important where those reforms have stalled or otherwise been delayed;

54. Calls for enhanced parliamentary control and scrutiny procedures and systems that are consistent for all instruments; recommends improving transparency through the creation of a single common transparent public database of projects and actions;

56. Is in favour of a more direct and active promotion of EU policies, its financial assistance and its visibility.

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**European Parliament resolution of 3 October 2017 on EU political relations with ASEAN (2017/2026(INI))**

[The European Parliament, ]

25. Urges the EU and its Member States to seek out all opportunities for cooperation with the ASEAN countries on strengthening democracy; supports the work of the Regional EU-ASEAN Dialogue Instrument Human Rights Facility office, which aims to publicise human rights issues and actions and increase awareness about human rights; urges all ASEAN member states to ratify further UN human rights conventions and their optional protocols, as well as the Statute of the International Criminal Court (ICC), and to support initiatives for transitional justice, reconciliation and the fight against impunity across the region

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**European Parliament resolution of 13 June 2017 on statelessness in South and South East Asia (2016/2220(INI))**

[The European Parliament, ]

2. Is extremely concerned about the situation of the Rohingya minority in Myanmar; is appalled at the reports of massive human rights violations and the continued repression and discrimination of the Rohingya and the failure to recognise them as part of Myanmar society, in what looks like a coordinated campaign of ethnic cleansing; stresses that the Rohingya have lived on the territory of Myanmar for many generations and are fully entitled to Myanmarese citizenship, as they have held it in the past, and all the rights and obligations this encompasses; urges the government and authorities of Myanmar to restore Myanmarese citizenship to the Rohingya minority; urges furthermore the immediate opening of Rakhine State for humanitarian organisations, international observers, NGOs and journalists; believes that impartial investigations will need to be organised with a view to holding perpetrators of human rights violations to account; believes furthermore that urgent measures are needed to prevent further acts of
discrimination, hostility and violence against minorities or incitement to such acts; expects Nobel Peace Prize and Sakharov Prize laureate Ms Suu Kyi to use her various positions in the Myanmarese Government to bring a resolution closer.

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**European Parliament resolution of 6 October 2015** on the role of local authorities in developing countries in development cooperation (2015/2004(INI))

[The European Parliament, ]

6. Recognises the important role LAs have in developing countries; encourages the establishment of partnership arrangements between LAs in EU Member States and LAs in developing countries in areas such as training and human capacity to allow for greater benefits such as better environmental planning;

7. Feels that these coordination structures play an essential role in terms of providing technical and methodological support for the development of local capacities by facilitating the exchange of know-how in order to support the decentralisation process and the provision of basic services; feels that they are also a suitable forum for political dialogue and for making the voice of LAs heard at all levels of government;

8. Urges the EU to promote decentralised cooperation as a way of implementing the development framework post 2015; to this end, calls on the Commission to consider the possibility of making decentralisation a priority funding sector for its external aid financing instruments, starting with the DCI and the EDF, and to step up efforts to include LAs as full stakeholders in the implementation of the 11th EDF in partner countries, regions, and in relation to sectorial and budgetary assistance; calls on the Member States to accord an appropriate role in their development programmes to LAs and to coordinate their activities with those of the Commission and of other Member States.

### Oral / Written Questions

**Inefficiency of EU development aid in Burma: 2018 ECA report findings**, E-001333/2018, Question for written answer to the Commission, Rule 130, Javier Nart (ALDE), 02-03-2018; **EIB activities in Asia**, E-001385/2017, Question for written answer to the Commission, Rule 130, Neena Gill (S&D), 01-03-2017; **EU development assistance for Myanmar**, E-001432/2016, Question for written answer to the Commission, Rule 130, Adam Szejnfeld (PPE), 18-02-2016; **VP/HR - Population control law in Myanmar**, E-009218/2015, Question for written answer to the Commission, Rule 130, Neena Gill (S&D), 05-06-2015

These questions investigated about EU’s commitment in Myanmar/Burma, pointing out that notwithstanding EU’s development assistance, the situation in the country is still worrying. For instance, ECA’s special report no. 2/2018 identified a lack of prioritisation and coordination between the Commission directorate-generals responsible for managing development and humanitarian aid, and shortcomings in the quality of indicators and monitoring of projects (**Inefficiency of EU development aid in Burma: 2018 ECA report findings**, E-001333/2018); democracy and the rule of law...
continue to be only partial (EU development assistance for Myanmar, E-001432/2016); discriminatory laws hamper the country’s transition to a peaceful and inclusive society and serve as one of the main root causes for the migrant crisis currently taking place in the Bay of Bengal (VP/HR - Population control law in Myanmar, E-009218/2015). The importance of EU’s commitments to combat climate change was also underlined (EIB activities in Asia, E-001385/2017; Further prospects for EU-Myanmar relations, E-005189/2016).

The Rohingya minority in Myanmar, E-004643/2018, Question for written answer to the Commission, Rule 130, Marlene Mizzi (S&D), 13-09-2018; VP/HR - Myanmar, E-004504/2018, Question for written answer to the Commission, Rule 130, José Blanco López (S&D), 04-09-2018; VP/HR - Rohingya crisis, E-003647/2018, Question for written answer to the Commission, Rule 130, Nadine Morano (PPE), 29-06-2018; VP/HR - Follow-up on the resolution on the situation of the Rohingya people, E-000388/2018, Question for written answer to the Commission, Rule 130, Marlene Mizzi (S&D), 24-01-2018; EU development projects and humanitarian aid in Myanmar - red lines, E-007315/2017, Question for written answer to the Commission, Rule 130, Wajid Khan (S&D), 28-11-2017; VP/HR - Situation of Rohingya Muslims, E-006229/2017, Question for written answer to the Commission, Rule 130, Marlene Mizzi (S&D), 04-10-2017; EU-Myanmar investment protection agreement, E-005887/2017, Question for written answer to the Commission, Rule 130, Anne-Marie Mineur (GUE/NGL), 21-09-2017; Further prospects for EU-Myanmar relations, E-005189/2016, Question for written answer to the Commission, Rule 130, Andrejs Mamikins (S&D), 28-06-2016; VP/HR - Minority Rights in Burma/Myanmar following 2015 election, E-002857/2016, Question for written answer to the Commission, Rule 130, Sajjad Karim (ECR), 07-04-2016; VP/HR - Situation of Rohingya minority in Myanmar/Burma, E-001666/2015, Question for written answer to the Commission, Rule 130, Doru-Claudian Frunzulică (S&D)++, 02-02-2015

These questions expressed concerns about the violence and discrimination perpetrated against the Rohingya people’s minority and called for an action by the European Commission in order to address the issue. It was underlined that the EU is one of the largest aid donors to the Myanmar Government and will provide EUR 688 million in grants from 2014 to 2020 to support sustainable development and poverty reduction ‘for the benefit of all people in Myanmar’. The human rights situation of the Rohingya minority in Myanmar has remained steady or got worse, with more than 700 000 people have had to flee and 10 000 have been killed in acts which are to be regarded as mass massacres (The Rohingya minority in Myanmar, E-004643/2018). Due to the infringement of Rohingya people’s human rights, it was asked to suspend the preferential commercial regime that Myanmar enjoys under the Generalized Scheme of Preferences (GSPs) (EU-Myanmar investment protection agreement, E-005887/2017). More generally, it was asked if development projects and humanitarian aid in Myanmar have been conditioned on non-discrimination, non-segregation and equality and preceded by rigorous assessments to ensure they are implemented in a way that does not entrench, support or perpetuate discrimination and segregation (EU development projects and humanitarian aid in Myanmar - red lines, E-007315/2017; Further prospects for EU-Myanmar relations, E-005189/2016).
### Special report 5/2018 of 1 March 2018

Renewable energy for sustainable rural development: significant potential synergies, but mostly unrealised

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<td>Special report No 05/2017: Renewable energy for sustainable rural development: significant potential synergies, but mostly unrealised</td>
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**Summary**

**Questions asked:**

The audit examined the framework for renewable energy with a focus on how it had integrated rural development aspects. The main audit question was: “Is European Agriculture Fund for Rural Development (EAFRD) support for renewable energy facilitating renewable energy deployment and sustainable rural development?”

It assessed:

1. whether and how the instruments of renewable energy policy at EU and Member State level had actively supported rural development;
2. whether the framework used to spend funds earmarked for rural development had been designed and implemented in a way that facilitated both renewable energy deployment and sustainable rural development.

The audit was carried out between September 2016 and May 2017.

**Findings:**

1. The EU’s renewable energy policy framework could better exploit the opportunities of renewable energy deployment in rural areas whilst mitigating the risks related to it.
a) The opportunities of renewable energy for rural development have not been sufficiently exploited  
b) The EU policy framework for renewable energy does not fully address environmental and socio-economic risks of bioenergy for rural areas

2. The European Agricultural Fund for Rural Development (EAFRD) does not sufficiently pursue rural development goals through its expenditure on renewable energy

   a) Renewable energy is not adequately considered in the rural development programming exercise  
   b) Monitoring and evaluation provides little information on the funding and results of investments in renewable energy  
   c) Renewable energy projects confirm their potential for rural development, despite weaknesses in the selection procedures and project implementation

Recommendations:

1. When designing their future renewable energy policy, the Commission and the Member States should take into account the circumstances and needs of the rural community and economy, consider potential positive and negative policy impacts, and ensure that rural areas receive equitable policy outcomes.

   In order to do so, the Commission, in cooperation with the Member States, should develop a relevant mechanism that could be inspired by the rural proofing mechanism as envisaged under “Policy Orientation 1” of the Cork 2.0 Declaration of 2016.

   The Commission should introduce this tool in the consultation process with the Member States on the integrated national energy and climate plans, which have to be notified to the Commission by 1 January 2019 and guide the Member States on how to apply it.

2. The Commission, together with the co-legislators, should design the future policy framework for bioenergy in a way that provides for sufficient safeguards against the unsustainable sourcing of biomass for energy. The framework should acknowledge and address the sustainability risks of boosting the use of bioenergy through targets and financial support schemes, and ensure that the associated environmental and socio-economic risks are mitigated.

3. When designing their future rural development policy, the Commission should set out what EAFRD investments in renewable energy should achieve; how they should add value in rural areas; and how the EAFRD should complement the existing EU and national funding schemes for renewable energy.
In this context, the Commission should use relevant good practice experience found during our audit, as well as similar experience described in the OECD study ‘Linking Renewable Energy to Rural Development’.

4. With regard to EAFRD support for renewable energy, the Commission should require the Member States to provide pertinent information on programme achievements of renewable energy projects in their enhanced annual implementation reports of 2019. This information should allow the Commission to know how much EAFRD expenditure has been paid out for renewable energy projects, the energy capacity installed or the energy produced from such projects.

5. In order to mitigate the risks linked to high budgets for focus area 5C, together with the low implementation rates and weak selection procedures, the Commission should reinforce with the Member States the need to apply relevant selection procedures, in order to give support only to viable renewable energy projects with a clear benefit for sustainable rural development.


Rapporteur: Karin Kadenbach

(Recommendations by the rapporteur,)

1. When designing their future renewable energy policy, the Commission and the Member States take into account the circumstances and specific needs of each rural community and economy, consider potential positive and negative policy impacts, and ensure that rural areas receive equitable policy outcomes.

In order to do so, the Commission, in cooperation with the Member States, should develop a relevant mechanism that could be inspired by the rural proofing mechanism as envisaged under “Policy Orientation 1” of the Cork 2.0 Declaration of 2016.

The Commission should introduce this tool in the consultation process with the Member States on the integrated national energy and climate plans, which have to be notified to the Commission by 1 January 2019 and guide the Member States on how to apply it.

2. The Commission, together with the co-legislators, design the future policy framework for bioenergy in a way that provides for sufficient safeguards against the unsustainable sourcing of biomass for energy. The framework should acknowledge and address the sustainability risks of boosting the use of bioenergy through targets and financial support schemes, and ensure that the associated environmental and socio-economic risks are mitigated.
3. When designing their future rural development policy, the Commission set out what EAFRD investments in renewable energy should achieve; how they should add value in rural areas; and how the EAFRD should complement the existing EU and national funding schemes without risking to become simply another funding source for renewable energy with no priority given to rural development.

In this context, the Commission should use relevant good practice experience found during the ECA audit (evaluation of renewable energy in rural area, third party energy supply projects financed under the EAFRD, own use of renewable energy projects), as well as similar experience described in the OECD study ‘Linking Renewable Energy to Rural Development’.

4. With regard to EAFRD support for renewable energy, the Commission require the Member States to provide pertinent information on programme achievements of renewable energy projects in their enhanced annual implementation reports of 2019. This information should allow the Commission to know how much EAFRD expenditure has been paid out for renewable energy projects, the energy capacity installed or the energy produced from such projects. When preparing the post 2020 programming period the Commission should define the various types of indicators more accurately.

5. The Commission reminds the Member States to apply relevant selection procedures, in order to give support only to viable renewable energy projects with a clear additional benefit for sustainable rural development.

Related EP Reports / Resolutions of other committees

**European Parliament resolution of 30 May 2018 on the future of food and farming (2018/2037(INI))**

*(The European Parliament,)*

13. Highlights the need for the future CAP to fully respect the distribution of powers within each Member State, often set out in their constitutions, particularly in terms of respecting the legal competences of the EU’s regions, when designing, managing and implementing policies, such as the EAFRD; stresses the need to ensure that farmers and other beneficiaries are duly involved throughout all stages of policy development;

36. Notes that numerous villages and regions, despite their rural nature, remain for administrative reasons outside the scope of rural development programmes in some Member States, which puts them at a disadvantage;

40. Underlines the potential of technological innovations for a smart and efficient sector which delivers on sustainability, particularly as regards the efficient use of resources, and the monitoring of crop and animal health and the environment;

47. Considers that farmers need to be supported in the transition to full sustainability;

52. Believes that more targeted support is necessary for diverse agricultural systems, especially small and medium family farms and young farmers, in order to strengthen regional economies through a productive agricultural sector in economic, environmental and social terms; considers that this can be achieved through a compulsory redistributive higher support rate for the first hectares of a holding, linked to the average size of a holding in
the Members States, in view of the wide range of farm sizes across the EU; stresses that support for larger farms should be degressive, reflecting economies of scale, with mandatory capping to be decided at European level, and flexible criteria to take into account the capacity of farms and co-operatives to provide stable employment that keeps people in rural territories; believes that the funds made available by capping and degression should be retained in the Member State or region from which they derive;

73. Urges the Commission and the Member States to acknowledge that the new societal, technological and economic changes, such as clean energy, digitalisation, and smart solutions have impacts on rural life;

84. Stresses that rural development programmes should have added value for farms and retain their important role in facilitating long-term action regarding innovative practices and agri-environment measures;

105. Considers that the greater use of field residues as a renewable, efficient and sustainable source of energy for rural areas should be supported and promoted;

174. Calls for the EU and its Member States to reinforce dialogue with developing countries and provide their expertise and financial support to promote ecologically sustainable agriculture based on small-scale and family farming, targeting women and young people in particular, a commitment made in the 2017 African Union-EU Summit Joint Declaration entitled ‘Investing in Youth for Accelerated Inclusive Growth and Sustainable Development’; recalls the contribution of women in rural areas as entrepreneurs and promoters of sustainable development; stresses the need to develop their potential in sustainable agriculture and their resilience in rural areas;

185. Calls for better integration of the ‘circular economy’ to ensure the best and most efficient use of primary material and by-products in the emerging bio-economy while respecting the limits of availability of biomass and land and other ecosystem services, and believes that the development of bio-based industry in rural areas might provide new business models that could help farmers and forest owners to find new markets for their products and create new jobs; calls on the Commission and the Member States, therefore, to provide the necessary support to the agricultural and forestry sector with a view to making a greater contribution to the further development of the bioeconomy in the EU; underlines the need to promote agroforestry, which can provide multipurpose, recreational and productive ecosystems and microclimates, and to close the gaps that could hamper its development;

186. Believes that AECM support, complemented by eco-schemes at Member State level, should cover the costs for farmers of transitioning to new sustainable practices, such as through promotion and support for agroforestry and other sustainable forestry measures that support biodiversity and genetic diversity in animal and plant species, and of adapting to changing climatic conditions;

187. Calls on the Commission to guarantee innovation, research and modernisation in agroforestry and forestry by supporting a strong and tailored advisory system, targeted training and tailored solutions to drive innovation and the exchange of know-how and best practices among Member States, with a general focus on relevant new technologies and digitalisation; underlines, at the same time, the crucial role of forest owner associations
in information and innovation transfer, training and further education for small-scale forest owners and in the implementation of active multifunctional forest management.

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**European Parliament resolution of 3 October 2018** on addressing the specific needs of rural, mountainous and remote areas (2018/2720(RSP))

4. Underlines that investments directed at integrating rural, mountainous and remote areas into all policies are necessary to achieve EU priorities, including, but not limited to, smart, sustainable and inclusive growth, food safety and security, social inclusion, gender equality, climate change, job creation, digitalisation and an efficient internal market;

9. Underlines the potential of mountainous volcanic regions and volcanoes, in particular in terms of the contribution of volcanology to the achievement of renewable energy targets and to the prevention and management of natural disasters, such as volcanic eruptions;

11. Stresses that the European Agricultural Fund for Rural Development (EAFRD) contributes significantly to economic and social cohesion, in particular in rural areas, and has an important territorial dimension; recommends, therefore, that EAFRD spending continue to be linked with cohesion policy, also with a view to facilitating integrated and complementary funding and to simplifying procedures for beneficiaries, so that regions can draw from different EU sources in order to optimise funding opportunities and invest in rural areas.

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**European Parliament resolution of 13 June 2018** on cohesion policy and the circular economy (2017/2211(INI))

[The European Parliament,]

11. Reiterates its view that the circular economy goes beyond waste management and includes areas such as green jobs; renewable energy; resource efficiency; the bio-economy; agriculture and fisheries policies, with their bio-based industries aiming to replace fossil fuels; water management; energy efficiency; food waste; marine litter; air quality improvement; research and development and innovation in related fields; acknowledges, however, that waste infrastructure is a crucial element for reducing linear patterns of production and consumption and that it is necessary to support innovations in the field of eco-design in order to reduce levels of plastic waste;

28. Considers that the bioeconomy is essential for regional and local development, since it increases cohesion between regions through its potential to create jobs and growth in rural areas; calls for greater use to be made of ESI Funds for the implementation of existing innovations, through policies to encourage stakeholders, while further fostering innovation in the development of bio-based, biodegradable, recyclable and compostable materials produced from sustainably managed biofeed stocks; recalls that consistent implementation of the bioeconomy may also solve the problem
of food waste; calls for better cooperation between national, regional and local authorities in creating systems and platforms that connect different actors from the food production, transportation, retail, consumer and waste sectors, as well as other concerned stakeholders, thus achieving greater synergies to create efficient solutions;

30. Calls for better, easier and more transparent access to finance for local and regional authorities, including through the strengthening of their administrative capacities and through heightened cooperation with the EIB, within the framework of the European Investment Advisory Hub, to enable increased investments in green jobs, waste management, smart specialisation, further development of rural areas including as regards the necessary infrastructure and environmentally friendly technologies, the shift from fossil fuels to renewable energy sources and the local energy transition, including energy efficiency, decentralised distribution of energy, clean energy innovation and the circular economy; welcomes the fact that the EIB has provided over the past five years about EUR 2.4 billion in co-financing for circular economy projects for waste management, water management or agricultural research and development; stresses the importance of better coordination of the ESI Funds and the European Fund for Strategic Investments (EFSI) in the field of the circular economy, also with a view to ensuring that programmes include a regional approach and make better use of regional potential for sustainable energy sources;

32. Stresses that the life cycle sustainability of reuse and recycling also depends on energy consumption in transport; underlines that this applies particularly to rural areas where longer distances between points of collection and processing sites have to be covered; urges the Commission, the Member States and regional authorities to take the life cycle approach into account in their circular economy strategies for rural areas in order to avoid negative overall environmental and climate impacts;

43. Encourages regional and local authorities to further invest in educational programmes, in vocational training and requalification of workers, as well as in public awareness-raising campaigns about the benefits and advantages of all actions with the aim of implementing the circular economy through cohesion policy projects, thus increasing citizen participation and influencing consumer behaviour; underlines, in this connection, the potential of the ESF; stresses that it must encourage young entrepreneurs to move towards the circular economy, especially in regions with low levels of income and growth; underlines also that the circular economy is an opportunity for rural areas to counter depopulation, to diversify their economies and to gain security against risks; points out, in this respect, that rural areas are in need of incentives for the transition to sustainable value chains; stresses the importance of developing a specific strategy for island regions;

52. Stresses the importance of stepping up cohesion policy support for sustainable urban and rural development, and calls for a more prominent role to be given to circular economy-related objectives in this context; calls for innovative urban and rural actions in this field to be continued and calls on the Commission to make maximum use of lessons learnt in the 2014-2020 period when preparing proposals for the future; calls for a flexible, tailor-made approach in the implementation of the Urban Agenda, providing incentives and guidance to fully seize the potentials of cities in implementing the circular economy.
European Parliament resolution of 23 June 2016 on the renewable energy progress report (2016/2041(INI))

[The European Parliament, ]

87. Emphasises that the production of biofuels should not interfere with food production or compromise food security; believes, however, that balanced policies to promote increased European yields in feedstock crops such as wheat, maize, sugar beet and sunflowers could include provision for biofuel production, taking account of ILUC, in a way which could provide Europe’s farmers with a secure income stream, attract investment and jobs into rural areas, help address Europe’s chronic shortage of (GM-free) high-protein animal feed, make Europe less dependent on fossil fuel imports; believes that in cases of market oversupply of the agricultural products referred to, the production of biofuels and bioethanol would represent a temporary outlet which would maintain sustainable purchase prices, safeguard farmers’ incomes during crises, and serve as a market stability mechanism; stresses the need to encourage the integration of uncultivated arable land which is not being used to produce food into the production of bioenergy, with a view to meeting national and European renewable energy objectives;

88. Believes that livestock manure can be a valuable source of biogas via the use of manure processing techniques such as fermentation, while also stressing the importance of making this an economically viable option for farmers.

European Parliament resolution of 6 July 2016 on synergies for innovation: the European Structural and Investment Funds, Horizon 2020 and other European innovation funds and EU programmes (2016/2695(RSP))

[The European Parliament, ]

1. Restates that links between cohesion policy and other EU policies, funding programmes and initiatives (e.g. Horizon 2020, the Connecting Europe Facility, the digital single market, rural development, the energy union, the innovation union and the Europe 2020 flagship initiatives) have been strengthened within the Common Strategic Framework introduced by the Common Provisions Regulation, and thus, through all its instruments and objectives, including the urban agenda, the territorial agenda, investment in SMEs, smart growth and smart specialisation strategies, and the potential public investments for the uptake of innovative solutions for, among other things, the environment, energy, health, climate, digitisation and transport, it is contributing substantially to strengthening the single market and achieving Europe 2020 strategy targets.
Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

European Parliament resolution of 28 April 2016 on the Court of Auditors’ special reports in the context of the 2014 Commission discharge (2015/2206(DEC))

[The European Parliament, ]

17. Notes that Union rural development policy is the key to fostering the competitiveness of agriculture, to ensuring the sustainable management of natural resources and to furthering climate action; highlights the importance of territorial development of rural economies and communities including the creation and maintenance of employment;

18. Regrets that the Commission did not offer guidance or spread good practice at the start of the 2007–2013 programming period and did not ensure that Member States’ control systems were effective before they started approving grants; underlines that since 2012, the Commission has adopted a more active and coordinated approach;

19. Notes that many weaknesses were found in the Member States’ control of the costs of rural development grants; notes that the Commission agrees that savings could be made by better control of costs in rural development project grants while still obtaining the same outcomes and results and achieving the same objectives; welcomes the fact that workable, cost-effective approaches have been identified and could be more widely applied, that the Commission accepts the Court’s findings and that it has expressed its intention to work with the Member States to improve control of rural development costs in the 2014–2020 programming period;

22. Stresses that the Commission and Member States should cooperate to ensure that the approaches followed for all rural development programmes meet the criteria determined by the Court for assessing whether control systems address the risks of over-specification, uncompetitive prices and project changes and target the areas of greatest risk; considers that an ex ante assessment of the control systems by Member State authorities’ internal audit services (or by other inspection or audit bodies) should be part of this process;

24. Welcomes the fact that the Commission has undertaken to provide guidance on controls and penalties in the context of rural development, including a specific section on the reasonableness of costs and a checklist for managing authorities annexed to the special report; notes that training and sharing of experiences will be part of the European Network for Rural Development activities in the 2014–2020 period;

108. Requests that the Commission identify the challenges, specific characteristics and obstacles faced in rural development in order to encourage Member States to better set up and assess the budgetary demand for financial instruments and to avoid over-capitalisation, which commits funds without contributing to the implementation of Union policies; requests also that access for final beneficiaries be facilitated to allow for a more active implementation of financial instruments at regional level, in particular in comparison to grants.

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European Parliament resolution of 13 September 2016 on an EU Strategy for the Alpine region (2015/2324(INI))

12. Supports strategic planning among both urban and rural areas of the Alpine region, with a view to promoting networking and common targets in a coherent, coordinated and integrated policy framework (e.g. with reference to renewable energies, welfare, logistics, and business and social innovation); encourages the pooling of best practice on, e.g., sustainable tourism among regions, as well as with other existing macro-regional strategies;

16. Calls on the participating countries to continue their efforts to diversify energy supply sources, taking account of the environment; underlines the need for sustainability, competitiveness and modernisation in respect of the existing hydropower infrastructure, which was developed at a very early stage, while taking into account the impact that hydropower infrastructures can have on the environment and on geology, as well as promoting small (mini, micro and pico) ones; stresses that the integrated management and protection of water resources is one of the keys to sustainable development of the Alps and that, therefore, the local population should be able to commit to hydropower and use the added value it generates; calls on the participating countries to contribute to well-functioning networks in the macro-region, in order to ensure security of supply and set up structures for the exchange of best practices on cross-border cooperation;

44. Stresses the importance of promoting the self-generation of energy, improving energy efficiency and supporting the development of the most efficient renewable energy sources in the region, from hydro to solar, wind and geothermal, and also of promoting the development of forms of renewable energy specific to the Alps; notes the impact on air quality arising from the use of different types of combustion in the heating sector; supports the sustainable use of forest wood without reducing the existing forest area, which is important for the balance within the mountain ecosystem and for protection against avalanches, landslides and flooding;

46. […] stresses the importance of exploiting local, especially renewable, energy sources in order to reduce dependence on imports; calls for the promotion of decentralised/self-generated energy production, and for the improvement of energy efficiency in all sectors;

50. Calls on the participating countries to continue their efforts to diversify energy supply sources, and to develop the renewable sources available, such as solar and wind energy, within the energy production mix; underlines the sustainability and competitiveness of hydropower plants; calls on the participating countries to contribute to the setting-up of well-functioning electricity infrastructure networks in the macro-region;

51. Stresses that diversifying energy supply sources will not only improve the energy security of the macro-region, but will also bring more competition, with important benefits for the economic development of the region.

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European Parliament resolution of 10 May 2016 on cohesion policy in mountainous regions of the EU (2015/2279(INI))
2. Considers that EU policies should have a specific approach to mountainous regions, as they have clear structural disadvantages; these regions need additional support to overcome the challenges of climate change, to be able to provide year-long rather than only seasonal employment, economic development, prevention and management of natural disasters and protection of the environment, and to help reach the EU renewable energy targets; considers, as a result, that mountainous regions should be mainstreamed in all aspects of EU policies, including Cohesion Policy, by introducing a territorial impact assessment;

12. Supports strategic planning among both urban and rural areas of the Alpine region, with a view to promoting networking and common targets in a coherent, coordinated and integrated policy framework (e.g. with reference to renewable energies, welfare, logistics, and business and social innovation); encourages the pooling of best practice on, e.g., sustainable tourism among regions, as well as with other existing macro-regional strategies;

28. Welcomes the progress made on the EU Forest Strategy; supports the sustainable development of forests at Union level, especially as regards the contribution of forests to safeguarding the environment and biodiversity and achieving renewable energy targets; notes that the economic dimension of forestry could be emphasised within the strategy;

34. Supports the use of ESI Funds for economic sectors that do not pollute and are future-oriented, such as sustainable tourism, cultural heritage, sustainable forestry, high-speed internet development, crafts, and renewable energy; points to the importance of developing new innovative tourism models and promoting successful existing models;

36. Considers that increasing the qualifications of the workforce and creating new jobs in the green economy should be part of the investment priorities of the ESI Funds, and stresses that EU policies should support training in areas such as mountain agriculture, sustainable tourism, craft industries, sustainable forestry and renewable energy technologies;

44. Stresses the importance of promoting the self-generation of energy, improving energy efficiency and supporting the development of the most efficient renewable energy sources in the region, from hydro to solar, wind and geothermal, and also of promoting the development of forms of renewable energy specific to the Alps; notes the impact on air quality arising from the use of different types of combustion in the heating sector; supports the sustainable use of forest wood without reducing the existing forest area, which is important for the balance within the mountain ecosystem and for protection against avalanches, landslides and flooding;

46. Stresses the importance of energy transport infrastructure, and supports smart energy distribution, storage and transmission systems, as well as investment in energy infrastructure for both the production and the transport of electricity and gas, in line with the TEN-E network and in implementation of the concrete projects mentioned in the list of Projects of Energy Community Interest (PECIs); stresses the importance of exploiting local, especially renewable, energy sources in order to reduce dependence on imports; calls for the promotion of decentralised/self-generated energy production, and for the improvement of energy efficiency in all sectors;
50. Calls on the participating countries to continue their efforts to diversify energy supply sources, and to develop the renewable sources available, such as solar and wind energy, within the energy production mix; underlines the sustainability and competitiveness of hydropower plants; calls on the participating countries to contribute to the setting-up of well-functioning electricity infrastructure networks in the macro-region;

51. Stresses that diversifying energy supply sources will not only improve the energy security of the macro-region, but will also bring more competition, with important benefits for the economic development of the region;

52. Recalls the richness, in amount and variety, of renewables in mountainous areas; believes that these areas should take the lead in achieving EU renewable energy targets; calls on the Commission to focus on policies that encourage and facilitate the use of renewables in mountainous regions;

54. Emphasises also the potential of the volcanic mountainous regions and volcanoes, especially as regards the contribution of volcanology, to achieving the renewable energy targets, and the contribution of these areas to the prevention and management of natural disasters, such as volcanic eruptions;

56. Insists that reaching EU renewable energy targets and renewable energy exploitation must take into account the balance of nature and environmental protection, including in mountain areas; recalls that, in some cases, hydropower and biomass extraction may affect ecosystems, and that wind and solar energy plants could harm the landscape, while being a source of local development.

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European Parliament resolution of 7 June 2016 on technological solutions for sustainable agriculture in the EU (2015/2225(INI))

54. Also considers it essential for the Commission and the Member States to develop innovative projects for producing non-food products (bio-economy, renewable energy, etc.) and services with a view to developing a more resource-efficient agriculture industry (better use of water, energy, food for crops and animals, etc.), and one which is more autonomous.

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25. Considers that the implementation of the EU Forest Strategy would be enhanced if supported by appropriate coordination with available EU funding, including from the EAFRD;
36. Expressly supports the resource-efficient use of timber as a renewable, versatile raw material with limited availability, and opposes legally binding rules for prioritising the uses of wood, as this not only restricts the energy market and the development of new and innovative uses of biomass, but is also impossible to enforce in many remote and rural areas, if only for infrastructure reasons;

38. Considers it imperative, given that some of the Union’s biggest biomass resources are found in its most sparsely populated and remote regions, that the strategy should also take full account of the specificities of those regions;

43. Acknowledges that the growing demand for forest-based materials, primarily as a result of the rise in the number of biomass-based renewable energies, calls for new ways of increasing the availability of timber to ensure the sustainable exploitation of forests;

77. Considers it important to encourage scientific research work oriented towards rational use of biomass and the development of fast-growing energy crops, and to create a model providing an economic incentive for the use of biomass waste;

85. Stresses the need to clarify, as a matter of urgency, the greenhouse impacts of the various uses of forest biomass for energy and to identify the uses that can achieve the greatest mitigation benefits within policy-relevant timeframes.

**Oral / Written Questions**

**EU funds for the use of forest residues in renewable energy production**, E-001316/2018, Question for written answer to the Commission, Rule 130, Carlos Zorrinho (S&D), 01-03-2018

A special report by the European Court of Auditors published on 1 March 2018 stresses the need to improve the links between renewable energy and rural development and recommends that Member States should make the most of the potential of biomass in their energy mixes.

What is more, using the biomass from clearing forests to produce energy could be an important step in mitigating the conditions that lead to forest fires.

How does the Commission intend to improve efficiency in the allocation, under both the current and the future financial framework, of EU funds to rural development policies intended to promote the use in renewable energy production of the biomass from clearing forests?

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**Additional possibilities for financing renewable energy projects in the EU’s rural, remote and mountain areas**, E-001632/2016, Question for written answer to the Commission, Rule 130, Jozo Radoš (ALDE), 25-02-2016
In the Commission’s answer to my Question E-015504/2015, it states that European Regional Development Fund, the Cohesion Fund and Horizon 2020 can support renewable energy projects in rural, remote and mountain areas, provided they meet the requirements of the funds.

In the light of the foregoing:

1. What requirements must renewable energy projects in rural, remote and mountain areas meet in order to receive funding from the European Regional Development Fund and the Cohesion Fund?

2. What requirements must renewable energy projects in rural, remote and mountain areas meet in order to receive funding from Horizon 2020?

3. Can renewable energy projects be funded under the Connecting Europe Facility (CEF) and the European Energy Efficiency Fund?

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**Rural development in the West Midlands**, E-009445/2016, Question for written answer to the Commission, Rule 130, Siôn Simon (S&D), 14-12-2016

One of the criteria for the selection of rural development projects under the EAFRD is that the project output (i.e. the number of jobs it creates) can be sustained on a long-term basis.

Can the Commission provide some data on how sustainable rural development projects in the West Midlands have been under the EAFRD between 2007 and 2013?

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**Funding of energy efficiency projects in rural, mountainous and remote areas of the EU**, E-015708/2015, Question for written answer to the Commission, Rule 130, Jozo Radoš (ALDE), 11-12-2015

Financial support for energy efficiency programmes and projects is enabled through several programmes and instruments of the EU. EU funds and programmes focused on the implementation of energy efficiency aim to create favourable conditions for the implementation of the new energy policies in terms of the funding of local and regional public authorities and their enticement to energy diversification, greater use of new renewable energy in traffic and greater energy efficiency. The European Energy Efficiency Fund devotes approximately 70% of its funds to the financing of energy efficiency, and the European Regional Development Fund allocates more than 50% of its funds to energy efficiency, investment and research in less developed regions.

Consequently I ask the following questions:
1. Is there a special provision for funding energy efficiency in rural, mountainous and remote areas of the EU from the European Agricultural Fund for Rural Development?

2. Is there a special provision for funding energy efficiency in rural, mountainous and remote areas from the European Fund for Energy Efficiency or the European Regional Development Fund?

3. Is there a special provision for funding energy efficiency in rural, mountainous and remote areas of the EU from the Intelligent Energy — Europe programme or the Mobilising Local Energy Investments Project?

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**Financing renewable energy projects in the EU's rural, mountain, and remote areas, E-015504/2015, Question for written answer to the Commission, Rule 130, Jozo Radoš (ALDE), 07-12-2015**

The term renewable energy sources denotes modern, sustainable forms of renewable energy, in particular the use of biomass, geothermal energy, hydroelectric power, solar energy, and wind power. These energy sources have huge natural potential, which is to be found especially in rural, mountain, and remote areas. That is why EU energy policy has increased the demand for biofuels and encouraged the use of rural areas for renewable energy production. Within the 2014-2020 financial framework the Commission has earmarked a special allocation under the European Agricultural Fund for Rural Development for the purpose of financing renewable energy projects in rural areas.

1. What amounts are available to Member States under the European Agricultural Fund for Rural Development to finance renewable energy projects in the EU’s rural, mountain, and remote areas, and how far have Member States managed to put that funding to use?

2. Can renewable energy projects in rural, remote, and mountain areas be financed using other financial instruments and programmes (Connecting Europe Facility — CEF, European Regional Development Fund, European Energy Efficiency Fund, and the Horizon 2020 innovation and research programme)?

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**Support for Cypriot farmers using renewable energy sources, E-004853/2015, Question for written answer to the Commission, Rule 130, Lefteris Christoforou (PPE), 27-03-2015**

Farm holdings in Cyprus are being hit irreparably hard by high energy costs. It is common knowledge that Cyprus is an island with no energy links to any other country and is therefore dependent for its energy on fuel and electricity which have risen in price over time. At the same time, Cyprus
enjoys a high sunshine rate and has enough wind to provide solar and wind energy. Cypriot farmers are unable to take advantage of solar and wind power due to their high investment costs. In view of the above, will the Commission say:

1. Does it intend to prepare plans to subsidise the installation of renewable energy sources in the agricultural sector within the framework of support for the rural economy of the EU?

2. Are there any plans to pay RES investment subsidies to farm holdings in countries such as Cyprus which are isolated in terms of energy supply and by definition have high energy costs, in order to render them viable and make their products competitive?

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**European Agricultural Fund for Rural Development**, E-010178/2015, Question for written answer to the Commission, Rule 130, Fulvio Martusciello (PPE), 24-06-2015

The various challenges that emerge in rural areas mean that the EU’s rural development policy is in a state of constant evolution. The European Agricultural Fund for Rural Development (EAFRD) is designed to contribute to the Europe 2020 strategy by promoting Europe-wide development in that sector and integrating seamlessly with other CAP instruments, cohesion policy and common fisheries policy, for which purpose a grand total of EUR 85 billion has been allocated to the EAFRD. The latest reform aims to make the agricultural and forestry sector more competitive, to strengthen the links between core activities and the environment, to improve quality of life in rural areas, and to promote cooperation, innovation and diversification of the economy in rural communities.

Can the Commission please indicate which priorities will form the focus of its attempts to ensure sustainable development in rural areas?
Special report 6/2018 of 27 March 2018

Free Movement of Workers – the fundamental freedom ensured but better targeting of EU funds would aid worker mobility

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Summary

Questions asked:
How does the Commission ensure the freedom of movement of workers and the effectiveness of EU actions facilitating labour mobility?
In particular, it examined:

1. the information tools put in place by the Commission to support workers interested in moving or having moved to another Member State and the actions taken by the Commission to address existing obstacles to labour mobility, this including the data collected by the Commission upon flows and patterns of labour mobility (Part I);
2. the effectiveness of EU funding in support of labour mobility through the ESF and the EaSI programme in the 2014-2020 programme period (Part II).

Findings:
1. The Commission has put in place tools to ensure freedom of movement of workers, but it has incomplete information on how labour mobility is working in practice
   a) The Commission has established tools to inform citizens of their rights, but it does not know the existing level of awareness of these tools
   b) The Commission has set up systems to report discrimination against freedom of movement but the scale of such discrimination at an EU level remains unknown
c) The Commission has taken action to address other restrictions on labour mobility but some obstacles persist

d) The Commission monitors labour mobility flows and patterns, however data available in Member States can be better used to understand labour market imbalances

2. Weaknesses in the design and monitoring of EU funded actions facilitating labour mobility

a) Total EU funding addressing labour mobility is unknown and complementarity of funds is not ensured

b) Cross border partnerships (CBPs) facilitate labour mobility, but shortcomings exist in the design of CBP projects and reporting on effectiveness

c) The Commission aims to make the EURES Job mobility portal a true European placement and recruitment tool, but this will be challenging to achieve


d) The monitoring of job placements achieved through the EURES network is unreliable, though this is a key performance indicator for EaSI.

Recommendations:


a) The Commission should measure awareness levels amongst citizens for EURES, YOUR EUROPE and SOLVIT

b) Once awareness levels are known, the Commission and the Member States should then use this data for effective targeting and the promotion of these tools.

2. Making better use of available information in order to identify types of discrimination against the freedom of movement by December 2018

The Commission should make more use of easily available data in Member States in order to provide a better indication of areas of discrimination and how these vary between Member States. Such information will enable actions to address discrimination to be better targeted.

3. Improving the collection and the use of data on patterns and flows of labour mobility and labour market imbalances by March 2020

The Commission should with Member States improve the collection of data upon labour mobility and its comparability, namely the composition of those workers who move, and the potential for labour mobility to address labour market imbalances. These analyses should then lead to targeted interventions to address skills and labour market imbalances.
bour market imbalances. This should be developed in time for the next programme period so it can be used by Member States in their decision for funding allocation for European programmes, such as the ESF.

4. Improving the design of EU funding to address labour mobility by March 2020 (in the context of the new Multiannual Financial Framework).

Currently labour mobility is specifically addressed through the ESF and the EaSI programme. The Commission should assess how the design of EU funding can be improved to ensure complementarity and better performance monitoring of EU funding.

5. Improving the monitoring of the EaSI-EURES effectiveness, especially with regard to job placements

(a) The Commission should refine its monitoring framework for EaSI-EURES CBP projects so that there is a clear link between targets, outputs and results at application stage, which will improve the monitoring reporting at the end of the project and the aggregation of CBP results at programme level.

(b) The Commission should enhance the EaSI-EURES performance measurement system by providing detailed specifications for data collection and analysis to Member States, based on which the Member States should ensure the collection of reliable data on EURES activities, especially on job placements.

6. Addressing the limitations of the EURES Job mobility portal by July 2019

The Member States should address the current limitations of the EURES Job mobility portal to make that portal “a true European placement and recruitment tool” by 2018. This can be achieved by:

(a) ensuring a greater proportion of PES job vacancies are being posted on EURES, which implies that Member States need to address under which conditions employers may decide to opt out from placing their vacancies on EURES;

(b) improving the quality of notices of job vacancies, which implies that Member States’ PES should ensure that only vacancy notices with a good quality of information are put in the EURES Job portal e.g. the deadline for application, the type of job on offer, salary details, and location of work. Provision of such information will lead to better results for both job seekers and employers.

Rapporteur: Georgi Pirinski

[Recommendations by the rapporteur,]

2. Underlines that free movement of workers is a fundamental principle of the Union and one of the biggest advantages of the single market as long as it constitutes an advantage for both sides of the working relation and it ensures protection of workers’ rights and the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment;

3. Observes with preoccupation that many obstacles for free and fair mobility of workers in the Union persist and that actions undertaken by the Commission and Member States cannot fully address the problems faced by workers who want to work in another Member States, such as insufficient information about workers’ rights related to employment and working conditions and to social security rights, but also inadequate measures to prevent discrimination against mobile workers and to ensure efficient enforcement of their rights;

4. Takes note of the Court’s observations that the Commission has put in place tools to inform citizens of their rights and has set up systems to report discrimination against freedom of movement of workers; is preoccupied, however, that the Court found that despite these tools and systems the Commission does not have information about the level of awareness regarding such tools and about the scale of discrimination against the freedom of movement at the EU level;

5. Notes that some of the tools put in place by the Commission to support labour mobility are often unknown to the potential beneficiaries and is concerned that in a number of Member States only a small fraction of job vacancies are published on the EURES Jobmobility portal; draws attention that these tools are financed through the EU budget and that ESF and EaSI under MFF 2014-2020 provide possibilities for financing of measures and activities concerning labour mobility at EU and national level, but which, however, are not being sufficiently utilized;

6. Asks the Commission and Member States to use the available funding opportunities to implement measures ensuring that the tools provide complete information about existing vacancies and workers’ rights, for increasing the awareness of citizens about these tools and the information which they offer, and to monitor the level of awareness in order to further enhanced it; encourages, in this regard the Commission to promote the advertising of the labour mobility practicalities, namely through new technologies, web search motors and publicity and insists for enhanced cooperation between the Commission and Member States; invites in particular the respective national authorities and EURES coordinators to work more actively with employers to promote the Portal and the opportunities of job mobility across the EU; calls, also, on the Commission and Member States to ensure proper complementarity and additionality between actions funded by ESF and EaSI;
7. Shares the Court’s opinion that information and an understanding of the scale and types of existing discrimination of free movement of workers are necessary in order to effectively address such cases; urges, therefore, the Commission in cooperation with Member States to undertake measures for improving the effectiveness of the existing systems in order to identify cases of discrimination and to undertake further steps for prevention and elimination of obstacles and discrimination for fair labour mobility;

8. Stresses that the lack of portability of social security contributions deprives workers from certain social rights and constitutes a disincentive to workers’ mobility; calls to the Commission to consider coming up with relevant legislative proposals and encourages putting in place incentives to the Member States willing to implement portability of pension rights, in full respect of the existing legal framework;

9. Notes that mutual recognition of university diplomas and professional qualifications by Member States remains a challenge and an important obstacle to labour mobility; underlines that this process should be easy, affordable and user-friendly for both citizens and national administrations involved; encourages the Commission to promote exchange of best practices among the Member States within the Council of the European Union Working Groups and, when appropriate, in OECD platforms;

10. Is concerned with the lack of comparability of data provided by the Member States concerning labour mobility; asks the Commission to provide guidelines to the Member States regarding which data need to be collected for what purpose; insists also that the Commission improves the collection and presentation of the statistical data for free movement of workers and particularly for the problems faced by mobile workers in countries different from their own;

11. Regrets that matching of supply and demand for labour as well as matching of skills on the labour market across Member States continues to be an objective to be achieved in labour mobility policy; calls on the Member States to fully utilize the opportunities provided by ESF, EaSI and EURES for promotion of labour mobility in order to lower unemployment in certain Member States and regions and address mismatches of skills and labour shortages in others;

12. Notes with concern the problems related to requirements for cross-border mobility projects funded in the framework of the Employment and Social Innovation Programme and calls on the Commission to address these issues in its next calls for proposals by including mandatory result indicators which would allow to measure in practice the value added of EU funding and the impact from the support provided; 13. Given the Court’s findings regarding necessity of additional efforts to be made for strengthening EU labour mobility and for overcoming existing obstacles for it, calls on the Commission and Member States to ensure adequate financing in the 2021-2027 MFF for measures for fair labour mobility which will allow continuation and smooth functioning of the relevant tools and systems in this area; asks also the Commission and Member States to ensure continuation and increased effectiveness of measures and activities which facilitate free movement of workers both through better targeting of financial resources and through reinforced cooperation and coordination between responsible Commission services, national authorities and all relevant stakeholders at EU and national level.
**Related EP Reports / Resolutions of other committees**

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1. Stresses that regulated professions play a fundamental role in the EU economy, making a major contribution to the employment rate, as well as to labour mobility and added value in the Union; [...];

5. Regrets that some Member States have failed to notify information about the professions they regulate and the requirements for accessing those professions; calls on Member States to significantly improve the notification process in the context of the Professional Qualifications Directive;

6. Underlines that improving transparency and comparability of the national requirements governing access to or pursuit of regulated professions could enable greater professional mobility, and that, consequently and in line with Directive 2005/36/EC, all national requirements should be notified and made publicly available in the Regulated Professions Database, in a clear and intelligible manner;

10. Calls on the Member States to fully implement Article 59 of Directive 2005/36/EC and to step up their efforts to guarantee more transparency of their professional regulations, this being crucial for the mobility of professionals across the EU since only with complete information from all Member States can a full picture of the professions regulated at national or EU level be made available;

19. Underlines that this indicator, showing the overall regulatory intensity in Member States solely on the basis of quantitative data related to existing barriers to free movement, should be seen as a purely indicative tool, and not as one permitting the drawing of conclusions as to whether what may be stricter regulation in some Member States is disproportionate;

25. Points out that better comparability of the level of professional qualifications is needed in order to increase the homogeneity of the evidence of formal qualifications across the EU and thus create a more level playing field for young graduates entering the professions, thereby facilitating their mobility across the EU.

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| 15 March 2017   | European Parliament resolution of 15 March 2017 on obstacles to EU citizens’ freedom to move and work in the internal market (2016/3042(RSP)) | [The European Parliament, ]

1. Calls on the Member States, in compliance with the subsidiarity principle, to remove any discriminatory practices and unnecessary barriers from their rules for EU citizens and their family members, including non-EU family members, so that they benefit from the entry and residence rights in
their territories, as well as from their social rights, while making their administration more efficient with a view to facilitating labour mobility in the EU;

8. Calls for the SOLVIT service to be enhanced, for instance with the creation of a helpline, and for the reinforcement of any other competent authorities to which EU citizens can address their specific inquiries concerning the internal market, to allow them and their family members to receive timely information and support when facing barriers in exercising their right to free movement;

11. Deplores the fact that the failure to aggregate social security entitlements creates barriers for EU residents, and calls on the Member States to fully and effectively implement Regulation (EC) No 883/2004 on the coordination of social security systems and Regulation (EC) No 987/2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems in order to ensure the portability of social security benefits (e.g. state pensions, health insurance, unemployment benefits and family benefits) and consequently reduce barriers to labour mobility in the EU; calls for resolute effective steps towards a coordinated system of aggregated social contributions and benefits for every individual across the EU, such as a social security card aimed at facilitating the traceability of social security contributions and entitlements;

12. Calls on the Member States to implement as a matter of urgency the European Disability Card, which would facilitate the travel and movement of persons with disabilities from one Member State to another;

16. [...] stresses that these blank promissory notes impede citizens from enjoying their right of freedom of movement in the internal market; calls on the Member States to adopt legislation prohibiting the use of blank promissory notes in employment relationships across the EU; urges the Commission to issue a recommendation to Member States on the need for the use of blank promissory notes in employment relationships to be strictly prohibited;

18. Is convinced that mobility should be coordinated in a broad regulatory process aimed at guaranteeing stable quality jobs with effective social rights, effectively tackling all forms of discrimination and precariousness;

19. Believes that the EU and its Member States must successfully address the lack of employment opportunities and inadequate social protection in workers' home regions to ensure that mobility is voluntary.

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European Parliament resolution of 4 July 2017 on working conditions and precarious employment (2016/2221(INI))

[The European Parliament, ]
14. Stresses that the economic crisis has given rise to migratory flows within the EU that have highlighted existing barriers to the free movement of persons between Member States and discrimination on the basis of nationality, exposing EU citizens to a situation of job insecurity;

32. Notes that given the number of workers, particularly young people, who are now leaving their countries of origin for other Member States in search of employment opportunities, there is an urgent need to develop appropriate measures to guarantee that no worker is left uncovered by social and labour rights protection; calls, in this regard, on the Commission and the Member States to further improve EU labour mobility while upholding the principle of equal treatment, safeguarding wages and social standards and guaranteeing full portability of social rights; calls on each Member State to establish social and employment policies for equal rights and equal pay at the same place of work;

56. [...] emphasises the need to provide all seasonal workers with comprehensive information on their employment and social security rights, including pension rights, also taking account of the cross-border aspect of seasonal work.

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(The European Parliament,)

3. Acknowledges that cross-border cooperation (CBC) is a key tool for the development of border regions, which are considered true laboratories of European integration; underlines that during the periods 2000-2006 and 2007-2013 CBC was marked by a clear orientation to more strategically focused priorities, and achieved best practices in the fields of better connectivity and accessibility, knowledge and innovation transfer, strengthening regional identity, tackling environmental challenges, enhancing institutional capacity, healthcare, education, employment and labour mobility, as well as civil protection, creating new partnerships and consolidating existing ones;

4. Acknowledges that transnational cooperation has helped in terms of supporting research, innovation and the knowledge economy, adapting to climate change, and promoting sustainable transport and mobility through transnational approaches, and has contributed to enhancing institutional capacity; stresses that an integrated territorial approach and transnational cooperation are particularly important for the protection of the environment, especially in the areas of water, biodiversity and energy;

16. Recommends that special focus be placed on projects that strive to adapt localities and regions to the new demographic situation and counteract the inequalities resulting from it, namely through: (1) the adaptation of social and mobility infrastructure to demographic change and migratory flows; (2) the creation of specific goods and services aimed at an ageing population; (3) support for job opportunities for older people, women and migrants that contribute to social inclusion; (4) enhanced digital connections and the creation of platforms that enable and foster the participation...
of the citizens of more isolated regions and their interaction with the various administrative, social and political services of authorities at all levels (local, regional, national and European);

23. Stresses the need to create cross-border innovation policy approaches, such as joint research and mobility programmes, joint research infrastructures, partnerships and cooperation networks; draws attention to the fact that differing legislation across Member States is hampering joint efforts to extend research and innovation across borders;

33. Stresses the ever increasing importance of cross-border labour markets with huge dynamics for wealth and job creation; calls on the Commission and the Member States to make full use of the opportunities provided by the Interreg programmes to facilitate cross-border labour mobility, including by promoting the principle of equal opportunities, by adjusting, if necessary, the administrative and social regulatory framework, as well as by reinforcing the dialogue between all governance levels;

34. Considers it crucial to increase synergies and complementarity between ETC programmes and EURES services, since these have a particularly important role to play in cross-border regions with significant levels of cross-border commuting; calls on the Member States and regions to fully exploit the opportunities offered by EURES services for employment and job mobility across the EU.

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[The European Parliament,]

51. Stresses the importance of an overall framework of recognition of qualifications and diplomas as key in ensuring cross-border educational and labour mobility;

52. Calls for greater efforts in the validation of non-formal and informal learning, including voluntary services, and for the development of recognition instruments for digitally acquired knowledge and competences;

68. Calls on the Member States to examine how existing forms of recognition of professional qualification might be developed, including appropriate education background checks;
75. Notes that the ‘brain drain’ poses risks for Member States, especially those in central/eastern and southern Europe, where an increasing number of young graduates are being driven to emigrate; expresses concern at the failure of the ET 2020 Working Groups to adequately address the concept of unbalanced mobility, and stresses the need to tackle the problem at national and EU level.

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[The European Parliament, ]

7. Urges the Commission to come up with a powerful response to address the EU’s social problems, notably unemployment, the skills gap, social inequalities and exclusion, as well as the risks of social dumping and the brain drain; considers that this calls for an economic recovery and investment fostering quality job creation, social investment focusing on skills, childcare and other social services, and the social economy; considers that it also requires stronger convergence to ensure that a set of fundamental social standards is respected across the Union; considers that, in this context, fair labour mobility should be promoted as a fundamental freedom in the single market; considers that concrete steps towards the promised ‘social triple A’ must start being delivered without delay; calls for the Commission to promote closer involvement of social partners at European and national level to this end;

16. Invites the Commission, along with all stakeholders, to explore all options for strengthening the EMU and making it more resilient and conducive to growth, employment and stability, with a social dimension aimed at preserving Europe’s social market economy, respecting the right to collective bargaining, under which coordination of the social policies of the Member States would be ensured, including a minimum wage or income mechanism proper to, and decided by, each Member State, and supporting the fight against poverty and social exclusion, the reintegration of workers into the job market and voluntary mobility and flexibility between professions and Member States;

35. Urges the Commission to finalise and submit the labour mobility package by the end of the year, also addressing the negative effects of labour mobility; calls for strong cross-border labour inspections to fight abuse; considers that mobility across Europe is a basic right; calls on the Commission, furthermore, to take action to promote the integration and employability of European workers; reminds the Commission of its commitment regarding the Posting of Workers Directive;

37. [...] calls for greater emphasis on the funding and facilitation of youth mobility, especially through apprenticeships, so as to match to the highest degree the skills available and the jobs on offer in the single market.

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38. Encourages the Member States to promote and support opportunities for professional mobility among young apprentices to enable them to develop their skills through contact with other training systems and other types of business, but also to give them the opportunity to practise speaking a foreign language, which will help them to find a lasting place in the jobs market;

43. Stresses the importance of pursuing the development of the EURES tool, particularly in border areas, to encourage young people to take an interest in offers of jobs, traineeships or apprenticeships abroad, and to support them in their mobility projects by providing them with assistance and advice on their projects;

51. Stresses that a smooth transition from education to employment should be promoted by linking theoretical education with practical training and integrating employability skills into the core academic curriculum, providing high-quality internships as stipulated in the European Quality Charter on Internships and Apprenticeships as well as through the recognition of qualifications gained during formal and non-formal education, or during volunteering experiences; stresses that high-quality internships/traineeships should always have clear learning outcomes and the trainees should not be exploited;

61. Points out that, despite high youth unemployment rates in some Member States and unfilled job vacancies in others, intra-EU labour mobility remains low; recalls therefore the importance of the mobility of workers for a competitive labour market, and stresses the need to reduce the linguistic and cultural barriers that are liable to restrain it by providing sector-specific language courses and training on intercultural communication for the unemployed;

62. Emphasises the importance of addressing skills shortages and mismatches by promoting and facilitating mobility for learners, as well as cross-border recognition of qualifications, through a better use of all EU tools and programmes, such as Erasmus+, the European Qualifications Framework, the European Skills Passport, the Youth Guarantee, the Europass CV, the Entrepreneurial Skills Pass, EURES, Knowledge Alliances, the European Alliance for Apprenticeships, the European Credit Transfer System, the European Quality Assurance in Vocational Education and Training (EQAVET) and the European Credit System for Vocational Education and Training (ECVET); highlights the importance of ESCO, which identifies and categorises the skills, competences and qualifications relevant for the EU labour market and education and training, in 25 European languages; underlines in this context the importance of the adequate transferability of social rights within the Union and reiterates the importance of Erasmus+, the European Social Fund and EURES in this respect; calls on the Member States to promote training courses in particular sectors in which there are particular gaps between supply and demand.  

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European Parliament resolution of 12 April 2016 on Erasmus+ and other tools to foster mobility in VET – a lifelong learning approach (2015/2257(INI))

[The European Parliament,]

10. Calls on the Commission and the Member States, as well as on EU agencies such as CEDEFOP, to take action to improve the VET mobility programmes so that they deliver added value for all participants as regards qualifications, recognition and content, and to ensure that quality standards are introduced for apprenticeships;

19. Underlines the key aspects that need to be taken into account when planning mobility actions and assessing their implementation, namely: learners’ economic capacity to engage in mobility; recognition of studies, competences and qualifications, and training content between countries, whether via credits or certificates; level of language knowledge; organisation of curricula or studies; the practical value of students’ credits and examinations once they have returned to their university of origin; legal aspects; information or motivation to complete studies; guidance and counselling activities throughout the mobility period; and students’ personal situation; calls, therefore, on the Commission to improve indicators and assessment criteria so as to enable the monitoring on a more regular basis of the effectiveness of EU programmes and make it possible to carry out any necessary improvements;

41. Draws attention to the diversity and uneven development of validation and recognition systems between Member States, despite growing convergence in the last decade; stresses the need to improve compatibility between different vocational education and training systems and facilitate the validation and recognition of skills and competences acquired in companies or training centres in different Member States, as also to increase the attractiveness of the Erasmus+ programme; calls on Member States to improve the implementation of the EQF and remove barriers; encourages the definition of a European standard that is acceptable and implementable at all levels (national, regional and local);

42. Encourages further measures to promote the recognition and validation of learning outcomes, including those developed through non-formal and informal learning, particularly through better use of existing tools such as Europass and ECVET;

43. Recalls that important improvements have been made thanks to the EQF, as regards the recognition of diplomas, credits, skills certificates, competency accreditations and acquired expertise in the context of VET; calls for the establishment of specific targets, among them the implementation of a fully operational system of credit transfers and recognition, to be based on ECVET; encourages the development of joint VET qualifications that can ensure the international recognition of qualifications;

44. Advocates drawing up a Green Paper on vocational education, training and mobility and the recognition of skills and competences in Europe, to be drafted in close cooperation with all key stakeholders; recalls that the current recommendations concerning VET need to be fully implemented;
points out that the non-recognition of competences has a negative impact on the Europe 2020 employment rates target, and hinders free movement as enshrined in the Treaties;

59. Emphasises the need for quality placements that can enable students to acquire desirable professional skills, in addition to highlighting the need, at all levels, for good communication vis-à-vis entrepreneurs in order to bring them on board with a view to further recognition of the experience acquired by young people taking advantage of mobility schemes.

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[The European Parliament, ]

33. Calls on the Member States to make the best use of available EU and national policies and financial frameworks in order to promote appropriate investment in young people and the creation of quality and secure jobs; insists at all levels on the mobility schemes that result in improving skills and competences for young people, giving them self-confidence, developing their curiosity and interest in other ways of learning and being involved in society; recommends strongly the recognition and assessment of those skills, enhanced through mobility; calls on the EU and the Member States to ensure that young people have better access to information concerning all the programmes and initiatives from which they can benefit;

35. Calls for improved opportunities for VET students to do work placements in neighbouring countries in order to foster a better understanding of other Member States’ labour and training practices, for example by funding the travel costs of students who continue to live in their home country; points out that mobility in training is a vital asset when it comes to entering the job market, but also in understanding and engaging in the European project by experiencing it; emphasises the importance of implementing a European framework to promote mobility as part of apprenticeship and vocational training; calls, moreover, on the Member States to take full advantage of the EURES network so as to support intra-EU youth labour mobility, including mobility in apprenticeships;

61. Stresses the importance of the mutual recognition and validation of skills, competences and knowledge that have been acquired through informal, non-formal and lifelong learning, as their validation is crucial in making visible and valorising the diverse and rich learning of individuals, particularly of individuals with fewer opportunities; points out that validation of skills contributes to enhancing access to formal education and to new professional opportunities, while reinforcing self-esteem and the motivation to learn, the development of values, aptitudes and skills for young people, as well as learning about citizenship and democratic involvement at every level; urges the Member States to increase their efforts to set up comprehensive validation mechanisms by 2018, as called for in the Council Recommendation of 20 December 2012 on the validation of non-formal and informal learning, in close collaboration with all the relevant key stakeholders, including youth organisations;
66. Stresses the importance for lifelong learning and improving the educational and employment opportunities of young people of guaranteeing the mutual cross-border recognition and compatibility of qualifications and academic degrees in order to strengthen the system of quality assurance; calls for the continuous expansion, evaluation and adaptation to changing training requirements of mutual cross-border recognition of qualifications and degrees, and notes that this should be ensured at European level and in all countries that have joined the European Higher Education Area and those listed in the European Qualifications Framework;

68. Emphasises the importance of addressing skills shortages and mismatches by promoting and facilitating mobility for learners and teaching staff through better use of all EU tools and programmes; points out that mobility in training is a vital asset when it comes to entering the job market; stresses the need to implement measures aimed at ensuring coordination, complementarity and coherence between the structural funds for mobility, including the European Social Fund (ESF), for example, and other programmes such as Erasmus+; stresses in this regard the important role of mobility programmes such as Erasmus+ in stimulating the development of horizontal skills and competences and intercultural exchanges among young people; welcomes the transformation of the existing EU Skills Panorama website;

69. Highlights the need to enhance the role of the Erasmus for Young Entrepreneurs programme in achieving long-term quality employment; is of the opinion that job mobility is needed in order to unleash the potential of young people; notes that currently there are 217.7 million employed people in the EU, of which 7.5 million (3.1 %) are working in another Member State; notes, in addition, that, according to EU surveys, young people are more likely to be mobile and to bring new skills and qualifications home with them;

71. Calls on the Member States to take full advantage of the current reform of the EURES network to support intra-EU youth labour mobility, including mobility in apprenticeships and traineeships; calls on the Member States to regularly update the vacancies and curricula vitae; calls on the Commission to improve the job-matching process in EURES to ensure that young people receive appropriate, high-quality job offers in line with their curricula vitae;

74. Notes that early school leaving and students leaving school with no qualifications are among the greatest challenges for our societies – and that addressing them must be one of our main goals – as they lead to a precarious existence and social exclusion; points out that mobility, adapting education systems and implementing individualised measures can offer solutions for the most disadvantaged people with a view to reducing the dropout rate in education and training;

89. Encourages the Member States to make full use of the Erasmus+ programme by better targeting people of all educational levels in order to improve the employment prospects of young people, foster cross-border careers and fair labour mobility; supports intercultural learning, European citizenship and young people’s education in democracy and values, and therefore calls on the Commission when conducting the mid-term review to seek out and remove obstacles in the funding procedure which are making it difficult to achieve these goals, so that Erasmus+ can be more effective in this matter.
**European Parliament resolution of 10 September 2015** on creating a competitive EU labour market for the 21st century: matching skills and qualifications with demand and job opportunities, as a way to recover from the crisis (2014/2235(INI))

[The European Parliament, ]

15. Points out that, despite high unemployment rates in some Member States and unfilled job vacancies in others, intra-EU labour mobility remains low (EU 27: 0.29 %), as a result inter alia of existing barriers, and by international comparison, being almost 10 times lower than that of the United States and 5 times lower than in Australia; draws attention to the seven million EU citizens living or working, as of 2013, in a Member State other than their country of citizenship; recalls also that there are currently two million unfilled vacancies in the EU; emphasises, therefore, the need for fair labour mobility in the Union in order to fill this gap;

25. Stresses the importance of human development, career flexibility and personal engagement; recalls in this respect that professional mobility is an essential factor and that substantial investment is needed to actively support employability and adaptability and prevent skills depletion among the unemployed;

29. Recalls the importance of the mobility of workers, geographically and across sectors, as a choice for a competitive labour market, and stresses the need to reduce the administrative and linguistic barriers that are liable to restrict it, and to further develop tools to facilitate mobility such as swift recognition of formal, non-formal or informal qualifications between Member States, the European Qualifications Framework, the European CV and the European Skills Passport, as well as providing sector-specific language courses and training on intercultural communication; encourages the raising of awareness of, and further improvement of, the EU-wide EURES job portal by ensuring, in particular, that a sufficient number of EURES advisors are trained and distributed equally throughout EU territory in order to make EURES an essential tool in the EU job market; stresses the importance of enhanced cooperation among national public employment services and the future inclusion of private employment services and other stakeholders in the EURES network; stresses the importance of EU initiatives aimed at stimulating mobility and creating opportunities, such as ERASMUS+, the European Qualifications Framework, the Europass CV, the European Skills Passport, the European Job Mobility Portal (EURES), the Knowledge Alliances and the European Alliance for Apprenticeships; calls for better promotion of these initiatives with a view to improving the labour market in Europe;

71. Recalls that there are currently two million unfilled vacancies in the EU; emphasises the need for labour mobility in the Union in order to fill this gap, and reiterates the importance of ERASMUS+ and EURES in this respect;

72. Recalls the importance of facilitating the mobility of border workers by providing more information on the existence of EURES cross-border partnerships, which are designed to encourage and remove obstacles to mobility for cross-border workers by supplying them with information and
advice on job opportunities and living and working conditions on either side of the border; in that respect, EURES-T is an important tool for better controlling potential sources of new jobs and moving towards a more integrated EU labour market;

73. Recalls the mobility of skilled workers from third countries as one of the responses to demographic challenges, labour market shortages and mismatches, as well as to the need to minimise the effects of brain-drain;

74. Notes that the EU is built on the principle of free movement of workers; calls for the study and use of foreign languages to be encouraged with a view to increasing mobility; points to the importance of making language learning, especially where European languages are concerned, an element of lifelong learning to be encouraged as a means of facilitating worker mobility and widening the range of job prospects;

113. Calls on the Member States and the EU to take swift concrete steps to implement policies and current legislation on mutual recognition of qualifications and academic titles across the EU, as a means of fostering fair intra-EU labour mobility and addressing the problem of unfilled vacancies.

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[The European Parliament, ]

28. Recommends, in the context of a new investment programme dedicated to the fight against unemployment, focusing on combating youth unemployment, which is today one of the most serious problems in the EU; to this end, more funding should be allocated to Erasmus for Young Entrepreneurs, in order to more efficiently support youth entrepreneurship and youth mobility as an effective means of fighting youth unemployment, poverty and social exclusion;

34. Calls on the Member States and the Commission to promote and improve labour mobility mechanisms, in particular the European Job Mobility Portal EURES and the Public Employment Services, in order to boost employment and youth employment.

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European Parliament resolution of 17 July 2014 on Youth Employment (2014/2713(RSP))

[The European Parliament, ]

28. Urges Member States to strengthen, and to remove existing cross-border barriers to vocational training, orientation and apprenticeships, traineeships and internships, and to better match the supply and demand of work-based training opportunities for young people, thereby improving mobility and employability, particularly in border regions;
47. Stresses that the European economy requires efforts to be made to enhance free movement and labour mobility in the EU, rather than limitations being placed on this, and calls on the Member States to ensure the free movement of all citizens and workers in order to allow the development of a genuine Union labour market, to remove bottlenecks and to allow EU workers to move to areas where their skills are demanded; stresses that freedom of movement is a core right; stresses, also, that young people should also have the opportunity to access employment opportunities in their own community;

50. Stresses the importance of focussing on stimulating entrepreneurship, particularly amongst younger people and graduates, promoting graduate internship and placements in small businesses and micro-enterprises to improve young people’s experience of business and increase awareness of opportunities and the ability to set up their own businesses.

Each year, only 29,000 of the 1.1 million EU migrant workers are able to find employment through EURES, E-001602/201, Question for written answer to the Commission, Rule 130, Kostadinka Kuneva (GUE/NGL), 15-03-2018; The Commission and the EUR 27 billion euros it has lost track of, E-001476/2018, Question for written answer to the Commission, Rule 130, Dominique Martin (ENF), 08-03-2018; Modernisation of the European Job Mobility Portal, E-009088/2015, Question for written answer to the Commission, Rule 130, Ilhan Kyuchyuk (ALDE), 04-06-2015; Impact of the EURES platform on employment and recruitment in Europe, E-004863/2015, Question for written answer to the Commission, Rule 130, Dominique Martin (NI)+, 27-03-2015; EURES and mobility of workers, E-003300/2015, Question for written answer to the Commission, Rule 130, Nicola Caputo (S&D), 27-02-2015; Help for those seeking employment in other EU countries, E-001631/2015, Question for written answer to the Commission, Rule 130, Gabriel Mato (PPE), 30-01-2015; Your first EURES Job pilot project, P-000864/2015, Question for written answer to the Commission, Rule 130, José Manuel Fernandes (PPE), 22-01-2015; Passing on data on the place of origin of workers making use of the EURES network, E-010528/2014, Question for written answer to the Commission, Rule 130, Steeve Briois (NI)+, 10-12-2014

The above listed questions concerned the EURES (European Employment Services) Portal, a platform that was set up in order to assist those wishing to work abroad and to familiarise them with their rights. According to a recent report by the European Court of Auditors (ECA), a substantial proportion of European Social Fund resources, EUR 27.5 billion for the programme 2014-2020, are earmarked for measures to facilitate mobility. Outside the ESF, EUR 165 million is devoted to EURES activities. Notwithstanding this, only 28,934 people found employment through EURES, the European job mobility portal, in 2016, that is to say just 3.7% of job seekers using this service and 2.5% of EU migrant workers as a whole

Each year, only 29,000 of the 1.1 million EU migrant workers are able to find employment through EURES, E-001602/201. Furthermore, ‘The amounts used by Member States for such purposes are unknown (p. 16)’ (The Commission and the EUR 27 billion euros it has lost track of, E-001476/201).

Some basic lacks were identified by the ECA: 88% of job vacancies published on EURES did not even indicate the starting date (p. 45). Most of the offers did not indicate the salary, the number of hours of work or the deadline for submitting an application. We understand that 60% of users would
not think of using EURES again \textit{(The Commission and the EUR 27 billion euros it has lost track of, E-001476/2018)}. Also, it has become apparent that workers and employers are not familiar with the EURES platform, and that no good practices exist for exchanges of information about shortages and surpluses of work \textit{(EURES and mobility of workers, E-003300/2015)}. For these reasons, question E-003300/2015 asked the EC to make models for the forecasting of demand for labour increasingly accurate; facilitate interoperability and hence communication of data between national portals for jobseekers in Europe; and develop the portal with the aim of affording greater help to jobseekers and employers.

In addition, the ECA found that most public employment services working together with EURES in the Member States are either unable or unwilling to keep any record of the actual number of work placements \textit{(Each year, only 29 000 of the 1.1 million EU migrant workers are able to find employment through EURES, E-001602/201)}.

Most of the questions asked for the improvement of the efficiency of EURES and other mobility services. Question E-004863/2015 asked if the Commission took into account the widely differing levels of education available in the Member States and the impact this will have on recruitment.

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\textit{European Labour Authority, E-001564/2018, Question for written answer to the Commission, Rule 130, Ruža Tomašić (ECR), 14-03-2018}

The Commission recently announced the establishment of the European Labour Authority and an initiative that will guarantee access to social protection for all workers and self-employed persons.

At the time, Commissioner Thyssen described the European Labour Authority as the culmination of the Commission's work to ensure the fair labour mobility that is necessary for the proper functioning of the European labour market. She stated that it will help citizens and businesses on the move to find the right information and will strengthen cooperation between Member States aimed at establishing fair and effective regulations.

The Commissioner also stated that the Commission's objective is to guarantee citizens access to appropriate remuneration, regardless of future developments in the world of work.

Since social benefits fall outside the scope of shared powers between the Member States and the EU, can the Commission provide the interpretation which allowed it to conclude that the stated objective does not constitute a breach of the principle of subsidiarity?

\textbf{*******}

\textit{Lithuania is emptying and yet the Commission continues to advocate worker mobility in Europe, E-001474/2018, Question for written answer to the Commission, Rule 130, Dominique Martin (ENF), 08-03-2018}
Since joining NATO and then the EU in 2004, Lithuania has lost 16% of its population (source: World Bank and Eurostat). If the same phenomenon had occurred in France, it would have lost 10.5 million people. At this rate, there will soon be no one left in the country.

The Commission has earmarked EUR 27.5 billion (2014-2020) from the European Social Fund (ESF) for initiatives supporting worker mobility in Europe. This fund is being used to subsidise the disappearance of the population of a Member State.

Above what threshold would the Commission consider that a Member State is threatened with extinction and must stop encouraging population movements?

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**Employment, E-001319/2018, Question for written answer to the Commission, Rule 130, Louis Michel (ALDE), 01-03-2018**

For several years now, the number of job vacancies in the EU has been particularly high, while unemployment, although clearly declining over the past five years, has persisted.

In Germany, more than a million jobs are unfilled, in France the figure is 600,000 and in Belgium it is over 300,000. These figures reflect both an unmet demand for labour and a mismatch between the skills that employers are looking for and those that jobseekers can offer.

Although one of the EU’s employment policy aims is to make workers more employable, companies are struggling to find people with the requisite skills for the posts they need to fill. In 2014 the European Network of Public Employment Services, EURES, was set up. It works on coordinating national employment policies more effectively, fostering exchanges of good practice and implementing the Youth Guarantee. Despite the commitments made on these fronts, the skills mismatch is still growing.

So, working through EURES and following up on the 2017 Social Summit in Gothenburg, should the Commission not be encouraging the Member States to focus more closely on those trades where there is a shortage of personnel, and on employers’ needs, so that jobseekers’ training can be tailored accordingly?

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**Regulated professions in the Member States, E-006713/2017, Question for written answer to the Commission, Rule 130, Richard Sulik (ECR), 27-10-2017; Directive 2005/36/EC on the recognition of professional qualifications, E-003206/2017, Question for written answer to the Commission, Rule 130, Othmar Karas (PPE), 08-05-2017; Obstacles in the way of recognition of professional qualifications, E-008270/2016, Question for written answer to the Commission, Rule 130, Monica Macovei (ECR), Patricija Šulin (PPE), 31-10-2016**
The above listed questions dealt with the recognition of qualifications among Member States.

The directive on the mutual recognition of professional qualifications, which introduced the mutual evaluation of regulated professions between Member States, was revised in 2013. Member States are to use the directive to examine whether the requirements of their legal systems, that restrict access to or pursuit of a profession, are consistent with the principles of non-discrimination, which are justified on the grounds of public interest and proportionality. An evaluation process has shown that regulatory decisions are not always based on a rational and objective analysis. The introduction of new restrictive measures has not been prevented, despite Member States’ national plans and Commission guidelines. Recommendation COM(2016)820 and the proposal for a directive on a proportionality test COM(2016)822 aim to improve Member States’ approach to regulating professions by ensuring better regulatory procedures to ensure proportionate regulation and avoid negative economic consequences.

1. [...] if proportionality and justification due to the public interest are common principles for accessing services and regulated professions, why has the Commission not proposed that the proportionality test is also applicable to accessing services?

2. The guidelines in COM(2016)820 set out examples of reforms for Member States. Has the Commission acted in all cases to enforce Union law through infringement proceedings?

3. Will the Commission initiate infringement proceedings in each case where it is aware of a breach of the rules on restricting access to professions or, if not, how will it choose the cases in which it will initiate infringement proceedings? (Regulated professions in the Member States, E-006713/2017)

Question E-008270/2016 insisted on the fact that even if Member States adopted numerous laws in order to remove the technical, regulatory, legal and bureaucratic barriers to the freedom of movement of professionals, they were not obliged to recognise professional qualifications acquired in other Member States, and often they did not. As a consequence, many people were discouraged to search a job abroad. It asked the EC what measures it envisage adopting, if any, in order to bring about automatic EU-wide recognition of academic diplomas (Obstacles in the way of recognition of professional qualifications, E-008270/2016).

Question E-003206/2017 pointed out that in some areas of medicine, the directive is no longer up-to-date, which makes the recognition of professional qualifications, and in particular further qualifications, more difficult, since the national authorities adhere strictly to the terminology contained in the annexes to the directive. Thus, it asked the EC if it intends to propose a revision of Directive 2005/36/EC, possibly using a terminology that can be adapted more quickly (Directive 2005/36/EC on the recognition of professional qualifications, E-003206/2017).
The 2008 global financial crisis and the subsequent eurozone crisis revealed the shortcomings of our economic and monetary area. The eurozone workforce has little mobility in comparison with, for example, American workers, partly owing to the linguistic and cultural differences of the Member States. The reduced mobility of workers and the poor redistribution of revenue, as a result of there being no federal budget or EU unemployment funds, prevent asymmetric shocks from being absorbed. In the light of Article 114(2) TFEU, which makes fiscal harmonisation difficult, the free movement of workers is the lever over which the Commission has a higher level of autonomy. The EU strives to increase the international mobility of EU workers through, among other means, the EURES network, which makes it easier to match supply and demand of labour within the EU.

What initiatives does the Commission intend to take to develop the internal market, address the imbalances in the eurozone and tackle unemployment with a view to achieving the end goal of increasing professional international mobility?

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There are around 10 million mobile workers resident in the European Union, including over a million who live in one EU country and work regularly in another. Many mobile workers are involved, in particular, in the provision of transport by air, sea, rail and road.

The rights of all mobile workers should be properly protected. In addition, it is important, wherever possible, specifically to protect EU residents who work regularly in non-EU countries, ideally by formal reciprocal agreements covering issues such as social security, healthcare, and taxation.

In this context, please would the Commission comment on:

Whether it is systematically mapping and analysing trends regarding EU-resident cross-border workers, broken down by sector, country of residence and country of work activity, and including self-employed individuals and EU workers in non-EU Member States.

To what extent the rights of cross-border workers, especially those in the transport sector, working in the UK but resident in another EU Member State, are being prioritised by the Commission in relation to the planned withdrawal from the EU by the United Kingdom, and proposals being prepared to cover this, both transitionally and permanently.

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Simplification of social security coordination rules, E-009724/2016, Question for written answer to the Commission, Rule 130, Louis Michel (ALDE), 22-12-2016

The Commission has adopted a proposal for a Council regulation with a view to simplifying and reforming Member States’ social security schemes, including the social security entitlements of persons moving within the EU.

The object of this initiative is to facilitate labour mobility, ensure fair treatment both for those who move and for taxpayers, and strengthen the tools for cooperation among authorities in Member States.

To quote the Commissioner for Employment, Social Affairs, Skills and Labour Mobility: ‘We need labour mobility to help restore economic growth and competitiveness. But mobility needs to be based on clear, fair and enforceable rules. This is what our proposal to update the EU rules on social security is about: it safeguards free movement and protects workers’ rights, while strengthening the tools to address possible abuse’.

Can the Commission elaborate on the clear and fair rules whereby it will safeguard free movement, and can it say what strategy it will employ in order to prevent this fundamental right from being curtailed?

Effectiveness of the EaSI Progress Axis, E-008322/2016, Question for written answer to the Commission, Rule 130, Eva Paunova (PPE), 31-10-2016; Functioning of the EaSI programme, E-005989/2015, Question for written answer to the Commission, Rule 130, Gabriel Mato (PPE), 16-04-2015

The Programme for Employment and Social Innovation (EaSI) was set up as a financing instrument at EU level to promote employment, social policies and labour mobility throughout the European Union, in coordination with other programmes designed to foment employment, working conditions and social protection and integration in the EU. It brought together three EU programmes that were previously managed separately: Progress, EURES and the Progress Microfinance Facility. The programme was modified in 2014 to improve coordination, achieve greater coherence in policies and improve efficiency in its application and management.

Are the goals being met of promoting geographical mobility and boosting job opportunities through the development of an open labour market?

Has the EaSI programme achieved an increase in the availability of and access to micro-finance for vulnerable groups and micro-enterprises?

How often does the Commission consult and support Member States in the area of evidence-based policymaking relating to youth employment and skills under the EaSI Progress Axis?
European tracking system for pension rights, E-004724/2016, Question for written answer to the Commission, Rule 130, Adam Szejnfeld (PPE), 08-06-2016

An increasing number of Europeans are taking advantage of mobility in the international labour market. Workers who move to another country often do not know the general state of their acquired pension rights because they are scattered across different countries and different systems. In these circumstances it is more difficult for EU citizens to make informed decisions about their careers or savings.

A two-year international project called Track and Trace Your Pension in Europe, which drew up a range of recommendations for the Commission regarding the creation of a European tracking system for pension rights, came to an end in March this year.

Such a system, covering all EU Member States, would be of undoubted benefit for both mobile workers who want to monitor their acquired pension rights and the entities paying pensions, which must maintain contact with their beneficiaries. One of the elements of such a system would be the creation of an online platform for calculating the individual pension rights of mobile EU citizens and for providing information on the operation of pension systems in individual countries, as well as on the most important changes in legislation.

The European tracking system for pension rights may become an important tool for achieving full freedom of movement of workers within the EU. Is the Commission planning to take any steps to implement such a service for mobile Europeans?

Setting European minimum incomes as a tool for social cohesion, E-001026/2016, Question for written answer to the Commission, Rule 130, Vilija Blinkevičiūtė (S&D), 03-02-2016

Last year, the Commission announced its intention to publish a series of important EU labour, employment and social protection initiatives, including a European Pillar of Social Rights and a Workers’ Mobility Package. So far, none of these initiatives has been published. However, it is clear that most of them will be designed to prevent various abuses and violations of workers’ rights associated with labour mobility between Member States (the Posting of Workers Directive) and within individual Member States (combating various forms of work without guarantees.). Meanwhile, the difference between minimum and average wages in Western, Eastern and Central Europe is significant, and sadly this difference is being reduced very slowly. In some Member States, the level of the minimum wage is right on the poverty line, while in others, it is sufficient for a decent life for a worker and his/her family. Given that, economic migration will always occur on a larger scale than would be desired by both the countries accepting workers and those losing them.
Does the Commission not feel that its planned European Pillar of Social Rights should first of all ensure the highest possible degree of convergence between minimum incomes in the Member States?

The fight against abuses in the area of labour mobility should undoubtedly be stepped up. However, given that our starting point is combating abuses rather than creating initiatives that would encourage income convergence, are we not actually splitting the single market and Europe instead of strengthening it?

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Improving and expanding the European Professional Card system in the EU, E-000847/2016, Question for written answer to the Commission, Rule 130, Agnieszka Kozłowska-Rajewicz (PPE), 29-01-2016

The Commission has recently launched an electronic procedure, known as the European Professional Card (EPC), for mutual recognition of professional qualifications among countries of the European Union. Under current regulations, the EPC can be obtained by persons working in a professional capacity as general care nurses, pharmacists, physiotherapists, real estate agents and mountain guides, and can only be acquired in countries where the profession in question is formally regulated. In its present form the procedure is limited to facilitating the recognition of qualifications obtained in Member States only, not in third countries.

1. When and how does the Commission plan to broaden the scope of professions allowed under the EPC system, in particular as regards the medical sector, since mobility for medical professionals depends on efficient and systematised recognition of their qualifications?

2. When will the EPC be extended to include qualifications obtained outside of the EU by persons who have permits to work in one or more Member States?

3. Do the qualification certificates and diplomas submitted via the EPC system still have to be validated formally by relevant ministries and/or notaries in recipient countries, as the current procedure for recognition of qualifications requires?

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Labour mobility package, P-000916/2016, Question for written answer to the Commission, Rule 130, Sven Schulze (PPE), 01-02-2016

The Commission is planning to submit a labour mobility package as part of its work programme 2016. Among other things, it plans a targeted revision of the Posting of Workers Directive.

Does the Commission have any information that would justify a revision of the Posting of Workers Directive at this stage, even before the implementing directive has been transposed in all the Member States? Does the information available justify a possible shift from the country of
origin principle to the country of destination principle with regard to pay for posted workers (‘same pay in the same job in the same place’), and what legal basis would there be for such a decision?

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**Improving intra-EU labour mobility**, E-015636/2015, Question for written answer to the Commission, Rule 130, Ivan Jakovčić (ALDE), 10-12-2015

Free movement of persons is at the core of the EU integration project. However, EU rules governing the freedom of movement of third-country nationals within the EU are very limited and do not allow the full potential of freedom of movement of foreign workers to be exercised.

Council Directive 2003/109/EC opens up the possibility for long-term residents to exercise the right of freedom of movement. However, while the possibility of intra-EU mobility for third-country nationals exists in EC law, the actual right to intra-EU mobility is awarded to limited categories of third-country nationals and under different regimes.

In addition, the EU migration directives that provide for mobility of third-country nationals leave significant areas of discretion to Member States. In view of the need to develop new rules for extending intra-EU mobility and considering the need to develop a more comprehensive EU labour migration policy and to overcome the effects of the economic crisis:

Does the Commission intend to conclude further mobility partnerships with third countries?

Does the Commission intend to enhance opportunities for third-country nationals to access the existing EURES network in order to enjoy wider access to job opportunities across the EU?

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**Skills mismatches and insufficient labour mobility**, E-013518/2015, Question for written answer to the Commission, Rule 130, Claudia Tapardel (S&D), 06-10-2015; **Promoting worker mobility**, E-013294/2015, Question for written answer to the Commission, Rule 130, Jérôme Lavrilleux (PPE), 30-09-2015

These two questions underlined the incongruence between the high unemployment rates (9.6% in April 2015) and the fact that around 2 million jobs in the EU cannot be filled due to labour market mismatches and insufficient labour mobility (EU-27: 0.29%) (**Skills mismatches and insufficient labour mobility**, E-013518/2015). Although a significant number of posts remain vacant, businesses are having real difficulty recruiting qualified workers. It is equally difficult for people to find work in another Member State, and the period during which migrant workers receive financial aid from their Member State of origin is far shorter than the average time taken to find employment. Mobility of labour increases GDP in the long term,
so facilitating mobility and tackling unemployment should be at the core of our response to the economic crisis (Promoting worker mobility, E-013294/2015).

The creation of a competitive labour market requires deep reforms that will increase labour market mobility and flexibility and better match skills with jobs, including the development of stronger synergies between education systems and businesses (Skills mismatches and insufficient labour mobility, E-013518/2015).

The two questions asked: How does the Commission plan to address the challenges represented by the skills mismatch? How does the Commission intend to facilitate the creation of a genuine European job market and to bring unemployment down?

Facilitating labour mobility, E-009087/2015, Question for written answer to the Commission, Rule 130, Ilhan Kyuchyuk (ALDE), 04-06-2015

In order to increase employment rates, the Europe 2020 strategy calls for the promotion of labour mobility across Europe, which I fully support.

However, according to the Commission’s ‘EU Employment and Social Situation Quarterly Review’ of June 2014, migrants who move within the EU need more support, because in many countries labour migrants still tend to be at a disadvantage in the labour market compared to the native-born population. They are also less likely to access help from the public employment services, and less likely to be fully aware of the services on offer, or how to access them. This indicates that different obstacles and barriers to mobility still remain, and that additional measures supporting labour migrants are very much needed, especially taking into account the fact that increasing the rate of labour mobility could increase the number of those facing various challenges.

1. How does the Commission plan to raise the awareness of the existing public employment services from which mobile workers can benefit?

2. What additional measures will the Commission take to support mobile workers?

Labour mobility within the EU, E-007521/2015, Question for written answer to the Commission, Rule 130, Sergio Gutiérrez Prieto (S&D) 08-05-2015

According to the Commission, there are around two million employment vacancies within the EU, and only 3.3% of the active population works in another Member State.
On 11 March 2015, the European Parliament adopted the report 2014/2222(INI), which referred to the necessity of promoting voluntary and fair labour mobility, with the workers receiving all rights and guarantees, so as to avoid social dumping. The report calls for ‘appropriate measures to guarantee that no worker is left uncovered by social and labour rights protection’ and it calls on the Commission and the Member States ‘to improve further EU labour mobility through instruments like EURES while upholding the principle of equal treatment and safeguarding wages and social standards’.

1. Therefore, is the Commission considering the possibility of placing more emphasis on the development of specific instruments aimed at strengthening this fundamental workers’ right and cooperation between the Member States, based on the principle of equal treatment? 2. Does the Commission intend to remove institutional barriers to ensure the complete portability of rights and social security services in all Member States, with respect to Article 45 TFEU, Regulation (EC) No 883/2004 and Directive 2004/38/EC?
**Special report 7/2018 of 14 March 2018**

**EU pre-accession assistance to Turkey: Only limited results so far**

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<th>Policy Area</th>
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<td>Report No / Date / Title</td>
<td>Special report 07/2018: EU pre-accession assistance to Turkey: Only limited results so far</td>
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<td>Short summary of questions asked, findings and recommendations</td>
<td><strong>Questions asked:</strong></td>
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<td>Has EU pre-accession assistance to Turkey been well designed and effective?</td>
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<td>This question was broken down into two main questions:</td>
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<td>(a) Was the Instrument for Pre-accession Assistance (IPA) in Turkey well-designed by the Commission?</td>
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<td>(b) Was the Instrument for Pre-accession Assistance (IPA) effective in supporting its priority sectors in Turkey?</td>
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<td>The audit focused on three priority sectors defined by the Council and valid for both the IPA I (2007-2013) and IPA II (2014-2020) programming periods combined, which represents a total allocation of 3.8 billion euros:</td>
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<td>(a) The rule of law, including fundamental rights, home affairs and justice, for a total of 1.2 billion euros;</td>
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<td>(b) Governance, including support to civil society, public administration reform and public finance management (PFM), for a total of 1.6 billion euros; and</td>
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<td>(c) Human resources, including education, employment and social inclusion, for a total of 1 billion euros.</td>
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It was based on a sample of 15 projects chosen so as to have balanced coverage of the different policy areas and geographical regions which received pre-accession assistance in the sectors of the rule of law, governance and human resources. It assessed what the EU programmes and projects had achieved in terms of results.

**Findings:**

1. The Commission designed the IPA objectives well, but it encountered difficulties in supporting sector-wide reforms and made limited use of conditionality
   
   a) The Commission set the IPA objectives properly but, in practice, some fundamental needs in the rule of law and governance sectors were insufficiently addressed
   
   b) Despite some weaknesses, the Commission’s sector approach assessments provided relevant information to identify where the sector approach could be implemented
   
   c) The Commission made little use of IPA conditionality to support the reform process in priority sectors

2. In spite of implementation delays, IPA projects delivered the intended outputs, but their sustainability is at risk due to a lack of political will
   
   a) The IPA generally delivered the intended outputs, but these were often delayed
   
   b) The IPA’s programming was significantly delayed
   
   c) Project sustainability is at risk due to a lack of political will

**Recommendations:**

1. Better target IPA funds under the objectives set:

   From the 2018 IPA programme onwards, the Commission should better target IPA funds in areas where reforms are overdue and necessary for credible progress towards EU accession, in particular for the independence and impartiality of justice, fight against high level corruption and organised crime, reinforcement of press freedom, prevention of conflicts of interest and strengthening external audit and civil society.

2. Improve the sector approach assessments:
In its next update of its sector approach assessments, the Commission should comprehensively cover all the key features of Turkey’s donor coordination, sector budget analysis and, in particular, its performance assessment framework.

3. Increase the use of conditionality:

Given the impact that backsliding is already having on project sustainability in Turkey, the Commission should increase the use of political and project conditionality by:

(a) Making proposals to the IPA II Committee to adjust total IPA II allocations for year ‘N’, including re-directing or reducing IPA II funds in order to address cases of backsliding in the rule of law and governance sectors identified in its annual Turkey Report in year ‘N-1’;

(b) Deciding, by the end of 2017 and 2020, whether to award the performance reward to Turkey. This decision should accurately reflect the progress made towards enlargement, efficient IPA implementation and the achievement of good results;

(c) Making progressively more use of the direct management mode to address fundamental needs where there is a lack of political will, in particular, for the fight against high level corruption and organised crime, reinforcement of press freedom, prevention of conflicts of interest and strengthening civil society.

(d) For new projects and when applicable, setting conditions in the form of minimum requirements to support the timely delivery of expected outputs and sustainability. When these conditions are not met, this should lead to corrective measures (e.g. suspension of payment, project cancellation).

4. Improve monitoring of project performance:

The Commission should widen the coverage of its ROM reports concerning EU-funded operations in Turkey and improve the relevance and reliability of its project indicators by including the availability of baseline data, when applicable.

5. Reduce backlogs by applying indirect management selectively:

Under IPA II, the Commission should apply indirect management selectively, taking into account the volume of funds involved, the complexity of the projects to be prepared and tendered by the Turkish authorities, and the CFCU’s capacity.

| CONT Committee Working Document; Rapporteur | No CONT Working Document available |
**European Parliament resolution of 8 February 2018** on the current human rights situation in Turkey (2018/2527(RSP))

[The European Parliament,]

2. Expresses its deep concern at the ongoing deterioration in fundamental rights and freedoms and the rule of law in Turkey, and the lack of judicial independence; condemns the use of arbitrary detention and judicial and administrative harassment to persecute tens of thousands of people; urges the Turkish authorities to immediately and unconditionally release all those who have been detained only for carrying out their legitimate work, exercising freedom of expression and association and are being held without compelling evidence of criminal activity; calls for the lifting of the state of emergency in the country and the repeal of the emergency decrees;

15. Reiterates its position of November 2017 in which it called for funds destined for the Turkish authorities under the Instrument for Pre-Accession Assistance (IPAII) to be made conditional on improvements in the field of human rights, democracy and the rule of law, and, where possible, rerouted to civil society organisations; reiterates its call on the Commission to take into consideration the developments in Turkey during the review of the IPA funds, but also to present concrete proposals on how to increase support for Turkish civil society.

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**European Parliament resolution of 18 April 2018** on the implementation of the EU external financing instruments: mid-term review 2017 and the future post-2020 architecture (2017/2280(INI))

[The European Parliament,]

6. Notes that EU Trust Funds were created to address the root causes of migration; regrets that the contributions from the EU budget to the EU Trust Funds and the Facility for Refugees in Turkey have reduced the overall coherence, long-term vision and impact of the Union’s action; stresses once again that new priorities must be financed with new appropriations; deeply regrets that Parliament was not formally consulted or asked to give its approval at any stage of the decision-making process in relation to the ‘Turkey statement’;

7. Reiterates the need for the instruments to be complementary and adaptable to the local context, as well as able to respond to new and unforeseen challenges quickly and effectively without losing sight of their original objectives;

8. Regrets that the instruments do not contain any explicit reference to the possibility of suspending assistance in cases where a beneficiary country (in particular where indirect management with the beneficiary country – IMBC – has been used) fails to observe such basic principles as democracy, the rule of law and respect for human rights;
10. Encourages efforts to make IPA II more strategically relevant in the long term and deliver concrete results through beneficiary-specific planning and a sectoral approach; believes that such an approach could help in cutting down the huge backlog of unspent funds from IPA I and II in Turkey resulting from inefficiencies of IMBC as well as weak absorption capacities;

11. Is deeply concerned about Turkey’s backsliding in terms of the rule of law and democracy, in spite of the EUR 4.5 billion programmed under the IPA II for the current MFF period; recognises that the current accession perspective for Turkey feeds into widespread uncertainty over the value of IPA II in the country; notes that IPA II funds have been used to finance commitments under the ‘Turkey statement’;

12. Notes the varying stages of progress of several countries in the Western Balkans under the long-term assistance from the IPA II; notes that, in some cases, IPA II assistance has led to limited results in steering reforms, especially in the areas of the rule of law, public administration and the fight against corruption;

16. Reiterates the importance of IPA II as the main EU funding instrument for pre-accession financing of key social, economic, political and institutional reforms in priority areas in order to align countries with the EU acquis; notes that such reforms may also contribute to regional security in the long term; welcomes the increased strategic focus of IPA II, but underlines that funding under IPA II must be ambitious and forward-looking and must match the actual needs, obligations and aspirations linked to the accession process and EU membership; recalls, in this regard, that funding should be used in accordance with the specific objectives pertaining to the instrument.

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European Parliament resolution of 18 April 2018 with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2016, Section III – Commission and executive agencies (2017/2136(DEC))

[The European Parliament, ]

260. Is deeply concerned by the fact that according to the Court, DG NEAR auditors have detected weaknesses in the indirect management of the second instrument of pre-accession assistance (IPA II), more specifically, at the audit authorities of three IPA II beneficiary countries - Albania, Turkey and Serbia; and this despite the fact that the Albanian and Serbian audit authorities have made changes aiming to solve the problems detected; in the case of Turkey, there are some significant areas of the audit authority’s systems which might still limit the assurance it can provide to the Commission (Court’s annual report 2016, paragraph 9.24);

276. Regards it as essential that suspension of pre-accession funding should be possible not only in cases of proven misuse of funds, but also in cases where pre-accession countries violate in any way the rights laid down in the Universal Declaration of Human Rights.

[The European Parliament, ]

47. Welcomes the overall drop in reported irregularities in the Pre-Accession Assistance (PAA); notes, however, that the number of irregularities in the Instrument for Pre-Accession (IPA I) is steadily growing, with Turkey being the contributor of 46% of cases representing 83% of the sums of reported irregularities; invites the Commission to consider applying the 'more for more' principle in a negative sense ('less for less'), given the current political situation in Turkey, which poses a direct threat to the absorption capacities of the country.

European Parliament resolution of 24 November 2016 on EU-Turkey relations (2016/2993(RSP))

[The European Parliament, ]

1. Strongly condemns the disproportionate repressive measures taken in Turkey since the failed military coup attempt in July 2016; remains committed to keeping Turkey anchored to the EU; calls on the Commission and the Member States, however, to initiate a temporary freeze of the ongoing accession negotiations with Turkey;

3. Reiterates that reintroduction of capital punishment by the Turkish Government would have to lead to a formal suspension of the accession process;

7. Calls on the Commission to reflect on the latest developments in Turkey in the mid-term review report of the IPA scheduled for 2017; asks the Commission to examine the possibility of increasing support to Turkish civil society from the European Instrument for Democracy and Human Rights;

8. Encourages the European Commission, the Council of Europe and the Venice Commission to offer additional judicial assistance to the Turkish authorities;

9. Underlines the strategic importance of EU-Turkey relations for both sides; recognises that, while Turkey is an important partner of the EU, the political will to cooperate has to come from both sides of a partnership; believes that Turkey is not demonstrating this political will, as the government’s actions are further diverting Turkey from its European path.

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### **European Parliament resolution of 6 July 2017 on the 2016 Commission Report on Turkey (2016/2308(INI))**

[The European Parliament, ]

3. Stresses the strategic importance of good EU-Turkey relations and the high added value of cooperation in coping with the challenges both sides face; recognises that both Turkey and the EU have gone through their own internal transformation processes since the accession negotiations were opened in 2004; regrets that the accession instruments have not been used to the fullest extent, and that there has been a regression in the areas of the rule of law and human rights, which are at the heart of the Copenhagen criteria, and that, over the years, public support for Turkey’s full integration into the EU has weakened on both sides; remains committed to cooperating and maintaining a constructive and open dialogue with the Turkish Government, in order to address common challenges and shared priorities, such as regional stability, the situation in Syria, migration and security;

6. Strongly condemns the repeatedly declared support for the re-introduction of the death penalty by the Turkish President and various other politicians; recalls that the unequivocal rejection of the death penalty is an essential requirement for EU membership and underlines that a reintroduction of the death penalty would violate Turkey’s international commitments, would call into question Turkey’s membership of the Council of Europe and lead to an immediate end of EU accession talks and pre-accession support; underlines that, if a referendum on the reintroduction of the death penalty is organised in Turkey, the Member States have the right to refuse to allow this vote to be facilitated in their respective countries;

7. Recalls its position from November 2016 to freeze the accession process with Turkey;

8. Calls on the Commission and the Member States, in accordance with the Negotiating Framework, to formally suspend the accession negotiations with Turkey without delay if the constitutional reform package is implemented unchanged; underlines, taking into account the remarks of the Venice Commission on the constitutional reform, that the proposed constitutional amendments do not respect the fundamental principles of the separation of powers, do not provide for sufficient checks and balances and are not in line with the Copenhagen criteria; invites the Commission, the Member States and Turkey to hold an open and honest discussion about the areas of mutual interest for which intensified cooperation would be possible; underlines that any political engagement between the EU and Turkey should be built on conditionality provisions concerning respect for democracy, the rule of law and fundamental rights;

25. Calls on the Commission to take into account the latest developments in Turkey when conducting the mid-term review of the Instrument for Pre-Accession Assistance (IPA) funds in 2017, and to suspend the pre-accession funds if accession negotiations are suspended; calls on the Commission, in case that scenario ensues, to use those funds to support Turkish civil society and refugees in Turkey directly, and to invest more in people-to-people exchange programmes, such as Erasmus+ for students, academics and journalists.

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European Parliament resolution of 14 April 2016 on the 2015 report on Turkey (2015/2898(RSP))

[The European Parliament,]

2. Underlines that Turkey is a key strategic partner for the EU and that active and credible negotiations would provide a suitable framework for exploiting the full potential of EU-Turkey relations; takes note of the reinvigoration of the negotiation process by the EU and hopes that the opening of chapters will lead to concrete progress; calls, in this connection, for concrete progress and a genuine commitment on Turkey’s part; reiterates its call on the Commission to reassess the way in which negotiations have been conducted so far and how EU-Turkey relations and cooperation could be improved and intensified; strongly supports a structured, more frequent and open high-level political dialogue on key thematic issues of joint interest such as migration, counter-terrorism, energy, economy and trade;

3. Believes that the postponement of the Commission’s 2015 progress report until after the November 2015 Turkish elections was a wrong decision, as it gave the impression that the EU is willing to go silent on violations of fundamental rights in return for the Turkish Government’s cooperation on refugees; asks the Commission to commit itself to publishing the annual progress reports in accordance with a specific and fixed timetable; calls on both the Commission and the Council not to ignore internal developments in Turkey and to clearly stand up for respect for the rule of law and fundamental rights in Turkey, as stipulated in the Copenhagen criteria, and irrespective of other interests;

19. Calls on Turkey to continue working closely with the Commission on new legislation under preparation and on the implementation of existing laws, in order to ensure compatibility with the EU acquis;

20. Underlines the need to fully respect, in line with European values, the right to different lifestyles, secular as well as faith-based ones, and to maintain the separation of state and religion.

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[The European Parliament,]

2. Underlines that an effective and functioning relationship, based on dialogue, closer cooperation, mutual commitment and negotiations between the EU and Turkey – considering their geographical proximity, their historical links, the large Turkish community living in the EU, the close economic ties and common strategic interests – is to the benefit of both parties; calls on Turkey to place the reform process at the centre of its domestic policy choices; takes the view that the EU should seize this opportunity to become the main anchor of the process of further democratisation in Turkey by promoting universal values and European regulatory standards as benchmarks for the reform process, and by supporting Turkey in developing solid,
democratic institutions and effective legislation based on the respect for fundamental freedoms, human rights and the rule of law and representing and defending the interests of all sectors of Turkey’s society;

3. Encourages the Government of Turkey to accelerate the pace of negotiations and urges it to commit itself unequivocally to respecting democratic values and principles, which are at the heart of the EU; supports the new Commission in its efforts to step up engagement with Turkey on the basis of shared interests and common challenges; notes the opening of negotiations on Chapter 22 (Regional Policy) in November 2013;

4.Welcomes the election of the most inclusive and representative parliament in Turkish modern history, reflecting the country’s diversity; commends the resilience of Turkish democracy and the democratic spirit of its citizens, as proven by the very high voter turnout and the impressive participation of civil society volunteers on election day; calls on all political parties to work towards the establishment of a stable and inclusive government with the aim of reinvigorating Turkey’s democratisation process and reform dialogue with the EU;

5. Underlines the importance of investing more efforts in people-to-people contacts in order to create a favourable environment of cooperation between Turkey and the EU; stresses, therefore, that in the interest of closer links between the EU and Turkey concrete progress should be made on visa liberalisation, based on the fulfilment of the requirements set out in the roadmap towards a visa-free regime with Turkey; stresses that in the interim period, the EU should make it easier for business people to obtain visas, and that student and academic exchange programmes and access opportunities for civil society should be actively promoted; believes that enhanced access opportunities to the EU would provide further support to the reform process in Turkey;

25. Welcomes the decision that reforms related to the rule of law and fundamental rights, home affairs and civil society are to receive increased funding under the Instrument for Pre-Accession (IPA) II for the period 2014-2020; points out that the promotion of the rule of law, democracy and fundamental freedoms are key principles governing pre-accession support; reiterates the Council’s December 2014 conclusion that enhanced coherence between financial assistance and the overall progress made in the implementation of the pre-accession strategy, including full respect of the rule of law and fundamental freedoms, will be introduced; calls, in addition, on the Commission to closely monitor the implementation of IPA II in all candidate countries and to dedicate resources available under the European Instrument for Democracy and Human Rights (EIDHR) to supporting freedom of expression, including media freedom, media pluralism, freedom of association and assembly, trade union related rights and freedom of thought;

40. Praises Turkey for its continued assistance to the estimated 1.6 million refugees from Iraq and Syria, and for maintaining an open border policy for humanitarian purposes; welcomes the Temporary Protection Directive adopted in October 2014, granting a secure legal status for refugees and enabling them to receive identity cards and access the labour market; calls on the EU to continue its financial support for humanitarian aid to Syrian and Iraqi refugees in Turkey; points out that refugee camps have attained their maximum capacity and that having to find a dwelling puts a tremendous strain on refugees’ lives and resources; takes the view that the EU should provide active support to the Government of Turkey in defining long-term assistance programmes for refugees and to promote access to education, health care and (legal) employment; calls on the Commission to
increase the resources available under IPA II and the Instrument contributing to Stability and Peace (IcSP) to help provide adequate assistance to the local communities affected by the large inflows of refugees; calls also on the Member States to provide (temporary) resettlement places for the most vulnerable refugees, in the spirit of genuine responsibility-sharing.

Increasing the resources available under IPA II and the Instrument contributing to Stability and Peace (IcSP) to help provide adequate assistance to the local communities affected by the large inflows of refugees; calls also on the Member States to provide (temporary) resettlement places for the most vulnerable refugees, in the spirit of genuine responsibility-sharing.

As a candidate EU Member State, Turkey has to comply with the EU accession criteria with regard to human rights, the rule of law, democracy and fundamental freedoms. However, Turkey has been systematically infringing human rights and the rule of law. The situation continues to deteriorate in all these respects, for instance due to:

- the extension of executive control over the judiciary and prosecution, widespread arrests of politicians, citizens and journalists, the dismissal and arbitrary transfer of judges and prosecutors, as well as persistent attacks against lawyers.

- the restriction of the freedom of expression and freedom of the press by arresting journalists and closing down media organs. President Erdoğan’s administration has closed more than 150 TV and radio channels, newspapers, magazines, publishing houses and distributors. The social media are monitored, and accounts are closed down. Media representatives are arrested and held in prison. It is estimated that Turkey has already imprisoned more than 100 journalists, including EU nationals. At least 449 people have been arrested on account of comments they have made in the social media.

- systematic disputes and violations of the EU’s borders. In 2017 alone, the Turkish Air Force violated Greece’s national airspace on 3,317 occasions and the Turkish Navy violated Greece’s territorial waters on 1,998 occasions. It is indicative that on 15 February 2018, a Turkish patrol boat intentionally rammed a Greek coastguard vessel in Greek territorial waters, while on 1 March 2018, the Turkish military authorities arrested two Greek officers at the Greek-Turkish border on Evros, who have been detained without charge or trial ever since. In addition, Turkey has been hindering planned explorations and drilling in the Cypriot exclusive economic zone (EEZ). Furthermore, Turkish troops have arbitrarily invaded the region of Afrin in Syria with armaments mainly imported from EU countries, killing civilians and carrying out the looting properties and destruction of religious and
cultural monuments on a massive scale. Moreover, it should not be forgotten that since 1974, approximately 30,000 Turkish soldiers have been illegally stationed in EU territory, namely in the occupied northern half of the Republic of Cyprus.

In addition, pre-accession assistance to Turkey has not yielded the expected positive results. The European Parliament has repeatedly expressed its concern about the weakening of democracy and the deterioration in the human rights situation in Turkey, and has called for the EU accession negotiations with the country to be suspended. In January 2018, the Commission reported that it had started to draw up proposals to adjust the pre-accession assistance to Turkey on account of what had happened in the country.

The High Representative is requested to answer the following questions:

1. How does the EU plan to react to the fact that Turkey has not properly utilised pre-accession assistance to meet the EU accession criteria?

2. What steps does the EU intend to take in order to effectively protect the EU's borders and give a clear signal to Turkey that it must respect international and EU law?

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Court of Auditors report on pre-accession support to Turkey, E-002154/2018, Question for written answer to the Commission, Rule 130, Marietje Schaake (ALDE), 17-04-2018; Report of the Court of Auditors on pre-accession assistance to Turkey, E-001646/2018, Question for written answer to the Commission, Rule 130, Esther de Lange (PPE), 19-03-2018; EU financial assistance to Turkey, E-001606/2018, Question for written answer to the Commission, Rule 130, Marco Zanni (ENF), 15-03-2018; The European Court of Auditors notes a signal lack of political will on the part of Turkey to strengthen the rule of law, E-001558/2018, Question for written answer to the Commission, Rule 130, 14-03-2018

In a report published on 14 March, the European Court of Auditors states that EU financial assistance to Turkey has had a limited effect. The Court notes that the funds spent have barely addressed a number of fundamental needs, such as the strengthening of the institutions, the independence and impartiality of the judiciary, the fight against high-level corruption and organised crime, press freedom, the prevention of conflicts of interest, and reinforcing external audit and civil society. Progress in these areas has been unsatisfactory for several years, due to a lack of political will on the part of the Turkish authorities. Instead in areas where there is a greater political will, such as customs, employment and taxation, funding has been used to bring Turkey into line with European legislation.

Furthermore, despite continuing unsatisfactory progress, the Court found that the Commission had made little use of conditions to support reforms in the priority sectors. In particular, the Commission seldom used conditions such as the option of recentralising the management of projects or corrective measures if project conditions were not met.
The report concluded that EU pre-accession assistance to Turkey had had only a limited impact on the independence and impartiality of the administration of justice, efforts to combat high-level corruption and organised crime, freedom of the press, prevention of conflicts of interest and reinforcing external audits and civil society.

In the light of the findings of this report,

1. Does the Commission not feel that the position of Turkey as the main beneficiary of EU assistance outside the EU should be reviewed and funding for it suspended?

2. Will the Commission take into account the conclusions of the Court of Auditor’s report on EU pre-accession assistance to Turkey?

3. Does the Commission endorse the conclusion that Turkey has made too little progress in the field of the rule of law and good governance?

4. Does the Commission believe that conditions should be attached to the financing for Turkey so that the funds can be used in a more targeted way?

5. Will it change the political and methodological approach to allocation of the remaining budget funds with a view to substantially strengthening and increasing the independence of the judiciary and other key democratic institutions and enhancing press freedom?

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Financial allocations for Turkey for 2018-2020, E-006904/2017, Question for written answer to the Commission, Rule 130, Edouard Ferrand (ENF), 09-11-2017; EU pre-accession aid for Turkey, E-003185/2017, Question for written answer to the Commission, Rule 130, Harald Vilimsky (ENF), 08-05-2017; Allocation of subsidies to Turkey as a candidate for accession to the EU, E-002681/2017, Question for written answer to the Commission, Rule 130, Renaud Muselier (PPE), 12-04-2017; The process of Turkish accession and pre-accession aid, P-002625/2017, Question for written answer to the Commission, Rule 130, Marcus Pretzell (ENF), 10-04-2017

Between 2007, when pre-accession aid began, and 2013, Turkey received some EUR 4.8 billion from the EU. For the 2014-2020 period, the EU plans to give Turkey a further EUR 4.45 billion; the priorities for funding are supposed to be ‘democracy, civil society and the rule of law’. The Commissioner responsible for neighbourhood policy and enlargement negotiations, Johannes Hahn, is to present a series of options on the adaptation of the financial allocations for Turkey for 2018-2020 to the General Affairs Council (GAC) on 12 December 2017.

Given the current political situation in the country, demands are being made for a re-assessment of the accession situation: the possible elimination of financial aid has repeatedly been mooted as a possible way of exerting political pressure on the country. The European Council of 21 October 2017 had already called for a review of the funds (EUROPE 11888).
For its part, the Commission has pointed out that ‘in line with the Presidency conclusions of the GAC in December 2016, the Commission is already focusing ongoing pre-accession funding on key areas such as the rule of law, fundamental rights, civil society and people-to-people contacts, which will be preserved in future assistance programmes’.

1. Does the Commission believe that it is appropriate to continue subsidising a state, whatever the cost, that publicly rejects every European value?

2. What checks are there to ensure that the funding so far provided is used in accordance with the above funding priorities (ex-ante) and what criteria (quantitative or qualitative) does the Commission apply in order to monitor the use of the funding retrospectively?

3. Can the Commission say to whom exactly the funds corresponding to the financial allocations for Turkey for 2018-2020 will be paid?

4. How much will Austria contribute, and has it already contributed, to the payments to Turkey already made and yet to be made in the form of pre-accession aid?

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Turkish defiance towards the EU, E-003915/2016, Question for written answer to the Commission, Rule 130, Lefteris Christoforou (PPE), 11-05-2016

The European Parliament has adopted by a large majority the Turkey Progress Report, which refers extensively to the Commission’s handling and management of the issues concerned.

Taking a very provocative stance, Turkey has refused to accept the report and referred it back to the European Parliament, thereby snubbing the democratic institutions of the EU.

This is despite the EU assistance it is receiving and EP approval for migration policy and pre-accession funding.

In view of this:

— What action will the Commission take in response to this provocative and inadmissible conduct by Turkey?

— Is it right for the Commission to turn a blind eye to Turkey’s conduct in this case, while at the same time imposing penalties on Member States and third countries alike for minor transgressions?

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Use of the Instrument for Pre-Accession Assistance to tackle the migration crisis, O-000072/2016, Question for oral answer to the Commission, Rule 128, Angel Dzhambazki++, 25-04-2016; Use of the Instrument for Pre-Accession Assistance (IPA) for tackling the migration crisis, P-002603/2016, Question for written answer to the Commission, Rule 130, Angel Dzhambazki (ECR), 31-03-2016

The Instrument for Pre-Accession Assistance (IPA) provides financing for EU candidate countries and potential candidate countries in the western Balkans.

On 7 October 2015 the Commission adopted a special measure on strengthening the response capacity of the most affected countries in the western Balkans to cope effectively with increased mixed migration flows, under the Instrument for Pre-Accession Assistance for the year 2015, through which the funding initially intended to help beneficiaries make political and economic reforms has been partially diverted to finance measures to tackle the migration crisis. According to the Commission Implementing Decision, the programme is directly managed by the Commission and the grants may be awarded without a call for proposals, which questions the accountability of the financing provided. In the light of continued spending on migration-related issues and of the possible significant sums allocated to Turkey, it has become clear that the Commission is linking the pre-accession process with the measures to cope with the migration flows.

1. What are the benchmarks used by the Commission to monitor and evaluate projects financed by the IPA aimed at tackling the migration crisis?
2. Will the Commission include throughout an analysis of the use of IPA funds in the 2016 Enlargement Package?

Accession negotiations with Turkey and respecting the principles and rules of the EU, E-015691/2015, Question for written answer to the Commission, Rule 130, Lefteris Christoforou (PPE), 11-12-2015

Despite being a candidate country for accession to the EU and despite the fact that it continues to receive pre-accession assistance, Turkey is still defiantly refusing to recognise an EU Member State, namely Cyprus.

Turkey’s conduct and attitude are an affront and provocation both for Cyprus and for the EU.

In view of the above, will the Commission say:

1. Can the EU continue accession negotiations with a country like Turkey that refuses to recognise all 28 EU Member States?
2. What measures is the EU taking or does it intend to take to compel Turkey to behave in conformity with the law and the rules governing the EU?

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**Accession of Turkey to the European Union**, E-008342/2015, Question for written answer to the Commission, Rule 130, Dominique Bilde (NI)++, 22-05-2015

Turkey applied to join the EEC in 1987 and was recognised as a candidate in 1999. Of the 35 chapters of the accession process, 14 are currently open. The Commissioner for Enlargement and European Neighbourhood Policy has said that he wants to make Turkey one of the priority countries during his term of office. Serious concerns persist in Turkey about the treatment of minorities, freedom of expression and more generally respect for fundamental rights. On the other hand, the Turkish judicial reform of 2014 led to serious purges of the police and judiciary. Finally, Turkey still refuses to implement the Additional Protocol to the Ankara Agreement. This would entail legal recognition of the Republic of Cyprus. Turkey now has a population of nearly 77 million. It received EUR 4.8 billion from the EU between 2007 and 2013 under the Instrument for Pre-Accession Assistance (IPA).

1. Can the Commission tell us how much Turkey is to receive under the IPA for the period 2014-2020?

2. Has the Commission calculated how much of the European budget would have to go to Turkey if it joined the EU?

3. In view of the persistent concerns outlined above, can the Commission explain its justifications for Turkish accession to the EU?
Special report 8/2018 of 12 April 2018

EU support for productive investments in businesses - greater focus on durability needed

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<td>Have the ERDF projects for productive investments in enterprises have been managed in a way which ensures durability of outputs and results?</td>
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<td>The audit was conducted between July 2016 and June 2017. It examined 41 completed productive investment projects co-financed by the ERDF under eight OPs in Austria, the Czech Republic, Germany, Italy and Poland implemented between 2000 and 2013 with a durability period ending between 2006 and 2018.</td>
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<td>Findings:</td>
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<td>1. The outputs from the audited projects were mostly durable</td>
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<td>2. Most of the projects audited created durable results but one fifth did not</td>
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<td>a) Durability of direct results was good in about half of the projects audited</td>
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<td>b) In about one fifth of the projects audited, the direct results were not durable, and they were only partially durable in about a quarter</td>
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<td>c) Indirect results are difficult to measure and link to funding</td>
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<td>3. Programming, selecting and monitoring projects insufficiently focused on durability</td>
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<td>a) Promotion of durability in OP programming was weak</td>
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b) Lack of focus on durability in project selection

c) Indicators lacking, and project monitoring not focused enough on durability of results

d) Corrective measures taken in case of failure to achieve targets and comply with durability requirements were not applied consistently

4. Some improvements in the regulatory framework were made in the 2014-2020 ESIF regulations to increase the potential for durability of results, but there are still gaps

Recommendations:

1. Promoting durability of the results

   (a) The Member States should promote the achievement of durable results from ERDF financed productive investments at the OP programming level for the post-2020 period, in particular through:

   - more focus on identifying and mitigating risks to the achievement of durable results,
   - better analysis of the needs of different types of businesses, including the need for public funding, in order to avoid deadweight loss

   (b) During the approval process of individual OPs for the period post-2020, the Commission should pay particular attention to how Member States address durability of outputs and results.

2. Taking durability into account in selection procedures

When preparing the next selection procedures, the Member States should improve their selection procedures and criteria so that the risk of deadweight loss is taken into account and only productive investment projects with the potential for adequate long-lasting results are supported.

3. Emphasising durability in monitoring and reporting

The Member States should conduct appropriate and consistent monitoring and reporting:

   - using pre-defined and relevant indicators for both outputs and results, as well as for measuring long-lasting results at OP level, while keeping the number of indicators manageable;
- establishing monitoring and reporting procedures to be used at project completion and throughout the durability period, which should be described in the grant agreements;

- improving the collection and use of relevant data.

4. Taking durability into account in evaluations

The Commission and the Member States should make sure that future ex-post evaluations at OP or EU level look into the different aspects of the durability of results achieved at the end of the durability period and beyond in a more systematic manner. The evaluation results should be used when designing future EU business support schemes.

5. Consistently applying clear corrective measures

(a) The Commission should ensure that Member States apply clear corrective measures including recovery arrangements consistently where projects fail to comply with EU legal durability requirements.

(b) Where Member States have set binding targets at project level, they should establish clear corrective measures and apply them consistently.

CONT Working Document of 05/07/2018 on ECA Special report 8/2018 (Discharge 2017): EU support for productive investments in businesses - greater focus on durability needed

Rapporteur: Georgi Pirinski

[Recommendations by the rapporteur,]

The Commission should:

11. Considers that the role of productive investments from the European Regional Development Fund should be enhanced as a key factor for growth, sustainable jobs, reducing disparities and inequalities in the context of the forthcoming development of Cohesion policy for the next programming period, with the aim of achieving upward convergence together with economic, social and territorial cohesion between Member States and regions;

12. Notes that while a number of the audited projects have respected the relevant rules and have achieved the envisaged outputs they were not able to provide proof as to the effectiveness of the projects and that lasting improvements had been achieved;
13. Observes, in this regard, that the CPR 2014-2020 (Regulation 1303/2013, Article 71), did not include provisions which define the achievement of results and their sustainability as criteria for durability of operations; therefore, draws attention to the Court’s finding regarding the substantial difference between measuring outputs rather than results from the point of view of assessing project durability;

14. Is of the opinion that, in order to ensure real added value from productive investments, it is necessary to include the achievement of results as a core consideration in evaluating project durability; strongly supports, in this regard, the Court’s definition of durability as “the ability of a project to maintain its benefits for a long time after the project has been completed”;

15. Regrets that the Commission has not taken into consideration in its proposals for regulations for CPR 2021-2027 and for ERDF 2021-2027 the explicit recommendation of the Court concerning clearly prioritising not only outputs, but also the necessary indicators for measuring results;

16. Shares the Court’s preoccupation regarding ensuring durability of investments in SMEs in light of their limited business capacity, high rates of failures and/or particular vulnerability to adverse economic conditions; invites in this regard the Commission and Member States to focus attention on ways and means to promote successful and lasting associations between interested SMEs, taking into consideration both positive and problematic experiences in the past;

17. Furthermore, considers that future productive investments would achieve lasting results if integrated into an updated comprehensive Industrial strategy as part of the future Cohesion policy; is of the opinion that in such a way productive investments should materially contribute to overcoming severe disparities in levels of industrial development between Member States and regions as described by the 6th and the 7th Cohesion Reports;

18. Calls on the Commission to fully engage in implementing the Court’s recommendations and in providing Member States with timely and appropriate guidance, including by issuing clear and transparent guidelines on ways to define and apply criteria for project durability, as well as in using all available mechanisms, such as approval of operational programmes, monitoring and control, in order to encourage Member States to implement their corresponding responsibilities, while avoiding additional administrative burden for beneficiaries or respective national authorities;

19. Overall, calls on the Commission to put greater focus on project durability in the preparatory and negotiation phase for the future programming period, establishing a clear framework of earmarks and targets; as well urges Member States’ authorities to observe and implement the Court’s recommendations and work together with the Commission to examine the existing practices and establish common rules and procedures aimed at ensuring durability of project results.

Related EP Reports / Resolutions of other committees

**European Parliament resolution of 13 June 2017 on increasing engagement of partners and visibility in the performance of European Structural and Investment Funds (2016/2304(INI))**

[The European Parliament, ]
1. Emphasises that cohesion policy is one of the main public vehicles of growth that, through its five ESI Funds, ensures investment in all EU regions and helps to reduce disparities, to support competitiveness and smart, sustainable and inclusive growth and to improve the quality of life of European citizens;

2. [...] considers that not only the quantity but mainly the quality of projects funded under the ESI Funds and their added value in terms of tangible results are pre-requisites for positive communication; underlines, therefore, that the assessment, selection, implementation and finalisation of projects must focus on achieving the expected results, in order to avoid ineffective spending which could lead to negative publicity for cohesion policy; draws attention to the fact that communication measures must be selected with special consideration for their contents and scope, while reiterating that the best form of advertising is to illustrate the significance and usefulness of the implemented projects;

34. Further asks the Commission and the Member States to strengthen the role and position of pre-existing communication and information networks and to use the interactive EU e-communication platform on cohesion policy implementation, so as to collect all relevant data on ESI Fund projects, allowing end-users to give their feedback on the implementation process and the results achieved, beyond a scant description of the project and the expenditure incurred; takes the view that such a platform would also facilitate the evaluation of the effectiveness of cohesion policy communication.


[The European Parliament, ]

3. Considers that the key communication on cohesion policy projects should focus on European added value, solidarity and the visibility of success stories, while underlining the importance of exchange of best practices as well as learning from projects that fail to achieve their objectives; insists that communication on the subject of the ESI Funds should be modernised and intensified; stresses the need to identify and implement new tools for communicating the results of cohesion policy; considers it necessary to invest in regional intelligence and data gathering, as part of a continuous effort to create and update databases, taking account of local and regional needs, specificities and priorities, as in the case of the already-existing S3 platform, which would enable the interested public to effectively check the European added value of projects;

12. Is of the opinion that the ESI Funds, including in particular the European Territorial Cooperation Programmes, should be used to create and boost quality jobs, as well as quality lifelong learning and vocational (re)training systems, including school infrastructure, to allow workers to adapt under good conditions to the changing realities of the world of work, and to stimulate sustainable growth, competitiveness and development and shared prosperity aimed at achieving a socially just, sustainable and inclusive Europe, while focusing on the least developed areas and sectors having structural problems and supporting the most vulnerable and exposed groups in society, in particular young people (in conjunction with programmes...
such as Erasmus+) and those with fewest skills or qualifications, promoting greater employment through a circular economy, and preventing early school leaving; draws attention to the fact that ESF is an instrument which supports implementation of policies of public interest;

13. [...] calls, in particular, for account to be taken of the real needs of the business community in using ESI Funds to meet training requirements, so as to create real employment opportunities and to achieve long-term employment; considers that the fight against youth unemployment, social inclusion and the future demographic challenges that Europe is facing nowadays and in the mid-term future should be the main areas where cohesion policy should be focused; calls for a continuation of the YEI beyond 2016, so as to sustain efforts to combat youth unemployment, while subjecting it to a thorough operational analysis designed to achieve the corrections necessary to make it more effective;

26. Stresses the importance of establishing a balanced link between cohesion policy and the European Semester, as both work towards achieving the same aims under the Europe 2020 strategy, without prejudice to achieving the social, economic and territorial cohesion objectives in order to reduce disparities as established by the treaties; is of the opinion that we should rethink the rationale behind suspension of the ESI Funds in case of a deviation from the objectives of the European Semester, as this could be counterproductive for boosting growth and jobs;

27. Notes that the regulatory framework for ESI Funds for the period 2014-2020 supports financial instruments; underlines, however, that the use of grants is still indispensable; observes that there seems to be a focus on a gradual shift from grants to loans and guarantees; emphasises that this trend has been strengthened by the Investment Plan for Europe and the newly established European Fund for Strategic Investments (EFSI); notes also that the use of the multi-fund approach still appears to be difficult; stresses, given the complexity of these instruments, the vital importance of providing appropriate support to local and regional institutions in the training of the officials responsible for managing them; points out that financial instruments could offer solutions for efficient use of the EU budget, contributing alongside grants to bringing about investment to stimulate economic growth and create sustainable jobs.

Europarlamentary resolution of 6 July 2016 on synergies for innovation: the European Structural and Investment Funds, Horizon 2020 and other European innovation funds and EU programmes (2016/2695(RSP))

5. Notes that, in the 2014-2020 programming period, cohesion policy allows financial instruments to play an important complementary role, and recalls that financial instruments, as they are complementary to grants, have a leverage effect, which can increase the impact of financing for updating innovation in the market, for example through energy efficiency, and can contribute to a better absorption rate by providing the co-financing needed, in particular in Member States and regions with low national co-financing capacity; underlines, however, the fact that grants remain indispensable for certain projects such as R&D projects and those with a strong focus on societal challenges; recalls that grants and financial instruments do not finance the same types of activities and that those different forms of support target different types of beneficiaries and projects; stresses the
importance of continuing with grant funding in future EU programmes; underlines the fact that the right balance between grants and financial instruments must be maintained in the future; recalls the need to further strengthen the accountability, transparency and result-orientation of financial instruments;

6. Calls on the Commission and the Member States to pay constant attention to the needs of SMEs in the design and implementation of the ESI Funds and Horizon 2020, as well as to synergies between these; asks the Commission to prepare coordinated calls for proposals in order to ease access to multi-fund financing; calls also for a thorough evaluation of the relevant SME programmes such as COSME, the SME instrument of Horizon 2020 and the SME component in the EFSI, with regard to both budgetary allocation and project success rate, as well as to the administrative burden and ease of implementation;

13. [...]; calls, furthermore, for a link between these funds in terms of auditing processes, and calls on the Commission to establish a clear, aligned and coordinated approach for the post-2020 period, with a special focus on administrative and auditing processes, proportionality and accountability.

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[The European Parliament, ]

1. Emphasises the importance of cohesion policy instruments and resources in maintaining the level of European added-value investment in Member States and regions for enhancing job creation and improving socio-economic conditions, especially where investment has fallen significantly owing to the economic and financial crisis;

19. Stresses the need for local and regional authorities to be actively involved in any reprogramming exercise, and is of the opinion that since the ESI Funds are linked to sound economic governance, the European Semester should be given a territorial dimension by also involving those authorities.

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European Parliament resolution of 13 September 2016 on implementation of the thematic objective ‘enhancing the competitiveness of SMEs’ – Article 9(3) of the Common Provisions Regulation (2015/2282(INI))

[The European Parliament, ]
22. Asks the Commission to encourage the Member States to exchange data, knowledge and best practices in this respect, ensuring appropriate reporting and motivating them to support projects with high job creation potential;

26. Asks the Commission to establish a participatory platform within existing budgets for the dissemination of SME project results, including examples of good practice also carried out under the ERDF during the 2000-2006 and 2007-2013 programming periods;

29. Considers that suitable support and incentives for the action of SMEs can deliver innovative opportunities for the integration of refugees and migrants;

30. Emphasises that as SMEs are the main source of employment in the EU, the setting up of enterprises should be facilitated by the promotion of entrepreneurial skills and the introduction of entrepreneurship in school curricula, as identified in the SBA, and that, especially in microcredit schemes, adequate training and business support is crucial and special training is needed to prepare young people for the green economy;

32. Highlights that only about 25 % of EU-based SMEs carry out export activities in the EU and that internationalisation of SMEs is a process that needs support also at local level; calls, therefore, on the Commission to make greater use of ESI Funds to help SMEs to seize the opportunities offered, and address the challenges posed, by international trade, while supporting them in addressing adjustment costs and the negative impacts of increased international competition.

36. Expresses its concern over the too low ceiling (EUR 5 million) set by the Commission on ERDF support to small-scale cultural and sustainable tourism infrastructures, defined, moreover, as total costs rather than eligible costs, and stresses the strong positive impact that such projects can have on regional development in terms of socio-economic impact, social inclusion and attractiveness.

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European Parliament resolution of 9 September 2015 on ‘Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union’ (2014/2245(INI))

[The European Parliament,]

9. Underlines the importance of reindustrialising the EU in order to ensure that industrial production represents a share of at least 20 % of Member States’ GDP by 2020; recalls, therefore, the importance of proactively supporting and strengthening the principles of competitiveness, sustainability and regulatory reliability in order to promote jobs and growth within Europe;

28. Welcomes the thematic concentration in support of investments in smart, sustainable and inclusive growth aimed at creating growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion, as well as the enhanced focus on results and measurability in the 2014-2020 programmes, which should contribute to further increasing the efficiency and effectiveness of cohesion policy;
maintains, at the same time, the requirement of greater flexibility for the regions, depending on local and regional specificities, especially in the context of the severe crisis, in order to reduce the development gaps between the various regions of the Union; calls for a genuinely integrated and territorial approach to target programmes and projects that address the needs on the ground;

32. Stresses that the ESIF could make a significant contribution to reversing the negative social consequences of the crisis, and that, for this to happen, an integrated approach offered by multi-fund programming should be facilitated and simplified, with more efficient coordination of, and greater flexibility among, the funds, allowing for better exploitation of the synergies between the ESF and the ERDF in particular; emphasises that investments funded by the ESF cannot produce optimal results if the relevant infrastructure and appropriate institutions are not in place; draws attention to the fact that the ESIF can effectively support social inclusion, and should therefore be mobilised to help the integration of disadvantaged and vulnerable groups, such as Roma and persons with disabilities, as well as to support the transition from institutional to community-based services for children and adults;

36. Expresses its concern over the too low ceiling (EUR 5 million) set by the Commission on ERDF support to small-scale cultural and sustainable tourism infrastructures, defined, moreover, as total costs rather than eligible costs, and stresses the strong positive impact that such projects can have on regional development in terms of socio-economic impact, social inclusion and attractiveness;

38. Stresses the importance of the ESF, with the Youth Guarantee and the Youth Employment Initiative, which must sustain as many viable job-creation projects as possible, for instance in the form of business initiatives;

41. Emphasises that, on account of changes in production patterns and an ageing population, the role of the ESF, and of investments in adapting workers’ skills, have grown significantly; strongly believes that, in this respect, the ESF should be complementary to national approaches in the Member States; calls on the Member States and the Commission to ensure that available resources are used as effectively and efficiently as possible with a view to ensuring workers’ employability, social inclusion and gender equality; underlines, at the same time, that training programmes financed under the ESF should also be tailored to the needs of entrepreneurs and staff at managerial level, in order to ensure the sustainable development of companies – especially SMEs – that generate a majority of the job opportunities in the Union;

58. Approves, nevertheless, of the fact that urban issues are highlighted by the report, given the importance of cities in the globalised economy and their potential impact in terms of sustainability; notes the commitment of European regions and cities to make the transition to greener growth, as embodied by the Covenant of Mayors; suggests that the major gaps in development between rural and urban areas should also be duly addressed, as should the problems in metropolitan regions, which are showing resilience while remaining vulnerable.

**Oral / Written Questions**

**EU industrial policy and investment**, E-007536/2016, Question to the Commission for written answer, Rule 130, Hugues Bayet (S&D), 04-10-2016
The brutal closure of the Caterpillar plant in Gosselies is further proof of how European industrial policy is failing to generate the type of economic and social investment that would make the relocation of industrial activities extremely unlikely. The EU is in need of an industrial policy worthy of the name that is based on research and development, innovation, high-added-value products and energy efficiency. It also needs to boost investment, which will in turn stimulate demand, in order to kick-start the economy. This will require a break with austerity and a shift to a proper growth policy based on productive investment — a move that will be facilitated by the current extremely low interest rates.

What steps will the Commission take in the near future to put together an innovative and effective EU industrial policy based on proactive public and private investment?

2015 European Semester report and macroeconomic imbalances, E-007903/2015, Question to the Commission for written answer, Rule 130, Ernest Maragall (Verts/ALE), 19-05-2015

On 13 May last, the Commission published its 2015 European Semester report, with country-specific recommendations. It highlights a large number of reforms on the supply side, and only one on the demand side: the investment gap.

Given that there is a huge underutilised production capacity in Europe today, does the Commission believe that there is no under-consumption in Europe and that this is therefore not the main difficulty in encouraging productive investment?

Similarly, the report goes on to sound the alarm over public deficits, in respect of which there are specific control processes being implemented, while saying little or nothing on foreign trade surpluses, such as Germany’s, which is 33% over a limit which is already 50% higher than the deficit limit.

Should control processes not also be implemented and corrective measures proposed for trade surpluses?

Major industrial projects, E-006178/2014, Question to the Commission for written answer, Rule 130, Nadine Morano (PPE), 31-07-2014

The number of major industrial projects has started rising again in 2014 worldwide, following a period of decline from 2008 to 2012. In Asia and the United States, large industrial groups have announced major plant and infrastructure construction projects that will sustain future growth. In Europe, the recovery of these major industrial projects has not yet materialised. The key probably lies in reforms aimed at boosting our competitiveness by reducing labour costs, promoting access to energy and infrastructure and enhancing the internal market.
The Commission is currently seeking to improve the functioning of the internal market and has just unveiled proposals on energy costs. As regards labour costs, it is primarily the responsibility of Member States to carry out the necessary reforms.

The European Union must continue to take measures to promote and support major industrial projects that will form the basis for the economic recovery and re-industrialisation of our continent.

What action does the Commission intend to take in this context to promote Europe’s industrial attractiveness and support productive investment in Europe?

Does it envisage a reform of its competition policy so as to promote the development of major industrial projects?

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ECB loans to private banks, E-005979/2014, Question to the Commission for written answer, Rule 130, João Ferreira (GUE/NGL)++, 24-07-2014

The Banco de Portugal Financial Stability Report for 2013 (of May 2014) highlights an increasing diversion of funds made available to banks (by means of loans) by the European Central Bank, away from lending to the economy and, in particular, to productive investment, towards speculative financial investment.

The value of financial investment by banks as a percentage of the amounts relating to the loans obtained from the ECB rose by 10.8% to 61.7% between December 2007 and December 2013, leading to the conclusion that most of the resources obtained from the ECB were not used to lend to the economy but channelled to financial investments with a much greater risk.

Can the Commission say:

Whether it has made or intends to make any assessment of this phenomenon, particularly as regards the associated risks and the consequent growing instability of the institutions and the financial system as a whole?

Whether it is aware of the total amounts allocated by the ECB to European banks, and in particular to Portuguese banks (at least since 2008)?
**Special report 9/2018 of 20 March 2018**

Public Private Partnerships in the EU: Widespread shortcomings and limited benefits

<table>
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<tr>
<th>Policy Area</th>
<th>Transport</th>
<th>Connecting Europe Facility (CEF)</th>
<th>Cohesion Fund (CF)</th>
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**Report No / Date / Title**

Special report No 09/2018: Public Private Partnerships in the EU: Widespread shortcomings and limited benefits

**Summary**

**Questions asked:**

The main objective of our audit was to examine whether EU-funded Public Private Partnership (PPP) projects had been effectively managed and provided adequate value-for-money, account being taken of the trend towards more intensively leveraging public funds with private finance through PPPs. In particular, we examined whether:

(a) the audited projects have been able to exploit the benefits PPPs are expected to deliver

(b) the audited projects were based on sound analyses and suitable approaches

(c) the overall institutional and legal frameworks within the audited Member States were adequate for the successful implementation of PPPs

The audit work was carried out between May-2016 and September-2017 both at the Commission (DGs MOVE, REGIO, ECFIN and ESTAT) and in four Member States: France, Ireland, Greece and Spain.

**Findings:**

1. The audited PPP projects enabled faster policy implementation and had the potential for good standards of operation and maintenance, but were not always effective in achieving their potential benefits
a) The PPP option allowed public authorities to procure large-scale infrastructure plans through a single procedure
b) Procurement of large PPP projects increased the risk of insufficient competition and was in some cases subject to considerable delays
c) Most of the audited projects were affected by significant construction delays and cost overruns
d) Most of the audited projects have the potential for keeping good standards of service and maintenance
e) PPPs have not protected the public partner from over-optimism regarding future demand and use of the planned infrastructure

2. Delays, cost increases and underuse were partly attributable to inadequate analyses and unsuitable approaches

a) For most of the audited projects, the PPP option was chosen without any prior comparative analysis, to demonstrate that it was the one maximising value-for-money
b) Risk allocation was often inappropriate, resulting in less incentive or excessive risk exposure for the private partner
c) Long-duration PPP contracts are poorly suited to the rapid pace of technological change

3. The institutional and legal framework is not yet adequate for EU supported PPP projects

a) Though familiar with PPPs, not all of the Member States we visited have well-developed institutional and legal frameworks
b) Despite the long-term implications of PPPs, the visited Member States have not developed a clear strategy for their use
c) Combining EU funding with PPPs entails additional requirements and uncertainties
d) The possibility of recording PPP projects as off balance sheet items risks to undermine transparency and value-for-money

Recommendations:

1. The Commission and the Member States should not promote a more intensive and widespread use of PPPs until the issues identified are addressed and the following recommendations successfully implemented

2. Mitigate the financial impact of delays and re-negotiations on the cost of PPPs borne by the public partner:
   (a) Member States identify and propose standard contractual provisions that limit the amounts of possible extra costs to be paid by the public partner
   (b) Member States assess any early contract re-negotiation to ensure that consequent costs borne by the public partner are duly justified and in line with value-for-money principles
3. As from September 2018, base the selection of the PPP option on sound comparative analyses on the best procurement option:

(a) Member States base the selection of the PPP option on sound comparative analyses, such as Public Sector Comparator, and appropriate approaches that ensure that the PPP option is selected only if it maximises value-for-money also under pessimistic scenarios

(b) The Commission ensures that the Court of Auditors has full access to the necessary information in order to assess the choice of the procurement option and the related procurement by the public authorities even where EU support is provided directly to private entities through financial instruments

4. In order to ensure that Member States have the necessary administrative capability and clear PPP policies and strategies are in place to implement successful EU-supported PPP projects, from the next programming period:

(a) The Member States establish clear PPP policies and strategies that clearly identify the role that PPPs are expected to play within their infrastructure investment policies, with a view to identifying the sectors in which PPPs are most suitable and establishing possible limits to the extent to which PPPs can be effectively used

(b) The Commission proposes legislative amendments to concentrate financial support to future PPPs in sectors that it considers of high strategic relevance and compatible with the long-term commitments of PPPs, such as the Core TEN-T network

5. In order to mitigate the risk of bias towards selecting the PPP option, to promote further transparency and to ensure that PPPs can be effectively supported by EU funds, by the end of 2019:

(a) The Commission links the EU-support to PPP projects to the assurance that the choice of the PPP option was justified by value-for-money considerations and thus not unduly influenced by considerations relating to budgetary constraints or to their statistical treatment

(b) The Member States improve transparency by publishing periodic lists of PPP projects, including sufficient and meaningful data on the assets financed, their future commitments and their balance-sheet treatment, while preserving the protection of confidential and commercially sensitive data

(c) The Commission assesses the additional complexity of EU-blended PPP projects in view of further actions aiming at simplifying relevant rules and procedures of EU programmes.

Rapporteur: Bogusław Liberadzki

[Recommendations by the rapporteur,]

11. The Commission and the Member States should not promote a more intensive and widespread use of PPPs until the issues identified in this report are addressed and the following recommendations are successfully implemented; in particular, improving the institutional and legal frameworks and project management and increasing assurance that the choice of the PPP option is the one that provides most value-for-money and that PPP projects are likely to be managed in a successful manner;

12. In order to better share the cost of delays and re-negotiations between the partners, with the aim to mitigate the financial impact of delays attributable to the public partner and contract re-negotiations on the final cost of PPPs borne by the public partner, recommends that:
   (a) Member States identify and propose standard contractual provisions that limit the amounts of possible extra costs to be paid by the public partner;
   (b) Member States assess any early contract re-negotiation to ensure that consequent costs borne by the public partner are duly justified and in line with value-for-money principles;

13. In order to ensure that the PPP option is the one that maximises value-for-money, recommends that:
   (a) Member States base the selection of the PPP option on sound comparative analyses, such as Public Sector Comparator, and appropriate approaches that ensure that the PPP option is selected only if it maximises value-for-money also under pessimistic scenarios;
   (b) The Commission ensures that the Court of Auditors has full access to the necessary information in order to assess the choice of the procurement option and the related procurement by the public authorities even where EU support is provided directly to private entities through financial instruments;

14. In order to ensure that Member States have the necessary administrative capability and clear PPP policies and strategies are in place to implement successful EU-supported PPP projects, recommends that:
   (a) The Member States establish clear PPP policies and strategies that clearly identify the role that PPPs are expected to play within their infrastructure investment policies, with a view to identifying the sectors in which PPPs are most suitable and establishing possible limits to the extent to which PPPs can be effectively used;
(b) The Commission proposes legislative amendments to concentrate financial support to future PPPs in sectors that it considers of high strategic relevance and compatible with the long-term commitments of PPPs, such as the Core TEN-T network;

15. In order to mitigate the risk of bias towards selecting the PPP option, to promote further transparency and to ensure that PPPs can be effectively supported by EU funds, recommends that:

<table>
<thead>
<tr>
<th>Related EP Reports / Resolutions of other committees</th>
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<tbody>
<tr>
<td><strong>European Parliament resolution of 13 June 2018 on cohesion policy and the circular economy (2017/2211(INI))</strong></td>
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<tr>
<td>[The European Parliament, ]</td>
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<td>22. Stresses the importance of the role of public-private partnerships in the design and planning of new products and services that take life cycle into account, with a view to implementing the four design models that could be used under a circular economy: designing for longevity; designing for leasing/service; designing for reuse in manufacture; designing for materials recovery.</td>
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<tr>
<td><strong>European Parliament resolution of 3 May 2018 on the implementation of cohesion policy and the thematic objective of ‘promoting sustainable transport and removing bottlenecks in key network infrastructures’ – Article 9(7) of the Common Provisions Regulation (2017/2285(INI))</strong></td>
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<tr>
<td>[The European Parliament, ]</td>
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<tr>
<td>3. Considers that the role of additional sources such as the European Fund for Strategic Investments (EFSI) and financial instruments needs to be defined in view of their complementarity to the ERDF and CF and their additionality to EIB lending operations; notes that the 2017 CEF Transport Blending Call has also been designed to strengthen those synergies, but also the exchange of best practices between Member States and that further support for capacity is needed; highlights in this regard that EFSI should serve as a platform for public-private partnerships (PPPs) in matching financial instruments to private investment and to national/regional financing at project level; notes that bankable infrastructure projects should primarily be supported by loans, EU guarantees or blending, in addition to ERDF, CF or CEF funding; believes, however, that grants should continue to be the main financial source of investment for funding sustainable public transport;</td>
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<tr>
<td>14. Welcomes the work of the Joint Assistance to Support Projects in European Regions (JASPERS), the European Public-Private Partnership Expertise Centre (EPEC) and the European Investment Advisory Hub (EIAH); expects, however, that the transport infrastructure operations of the EIB Group within the EU devote significantly more resources to providing comprehensive advisory assistance to local, regional and national authorities at an earlier stage in the identification and pre-assessment of projects with EU added value.</td>
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[The European Parliament,]

8. Takes the view that an increase in EIB lending activity could be achieved through better synergies with public funds, which would in turn boost public and private investment; stresses that such an increase should be accompanied by a corresponding diversification of the EIB’s product range, including a greater and fiscally prudent use of public-private partnerships (PPP) – while maintaining public and private benefits in balance – and of other innovative in order to better address the needs of the real economy and the market; stresses that such action should be taken while also recognising that new products often require additional governance tools to ensure their suitability and that particular attention should be paid to the strategic allocation of funding and the promotion of EU policy objectives;

13. Notes that the EIB uses a wide range of financial instruments – such as loans, guarantees, project bonds and PPPs – to support public and private investment in transport; stresses that it is important to coordinate various types of EU funding in order to ensure that EU transport policy objectives are met across all of the EU, taking into account that not all projects are suitable for funding from PPP types of instrument;

49. Notes that in order to reduce the burden of infrastructure construction and maintenance on taxpayers, and on public finances in general, transport infrastructure projects of the PPP type should generally be based on the ‘user pays’ principle.


[The European Parliament,]

82. Calls on the Commission to advance policies and a legal framework to tackle cybercrime and illegal content and materials on the internet, including hate speech, that will be in full compliance with fundamental rights as set out in the Charter of Fundamental Rights of the European Union, in particular the right to freedom of expression and information, with existing EU or Member State legislation and with the principles of necessity, proportionality, due legal process and the rule of law; considers that, in order to achieve that goal, it is necessary to:

[...] – support public-private partnerships and dialogue between public and private entities, in compliance with existing EU legislation, [...];

86. Welcomes the ‘follow the money’ approach and encourages the actors in the supply chain to take coordinated and proportionate actions to fight infringements of intellectual property rights on a commercial scale, building on the practice of voluntary agreements; emphasises that the
Commission, together with Member States, should promote awareness and due diligence along the supply chain and encourage the exchange of information and best practices, as well as enhanced public and private sector cooperation; insists that any measures should be justified, coordinated and proportionate and include the possibility of effective and user-friendly remedies for adversely affected parties; considers it necessary to raise consumer awareness of the consequences of infringement of copyright and related rights;

87. Considers, in order to ensure trust and security in digital services, data-driven technologies, IT and payment systems, critical infrastructure and online networks, that increased resources are required as well as cooperation between the European cybersecurity industry, the public and private sector, in particular via research cooperation including Horizon 2020, and public-private partnerships; supports the sharing of Member States’ best practices in PPPs in this area;

101. Considers that a data-driven economy is key to economic growth; emphasises the opportunities that new ICT technologies such as Big Data, cloud computing, the Internet of Things, 3D-printing and other technologies can bring to the economy and society, especially if integrated with other sectors such as energy, transport and logistics, financial services, education, retail, manufacturing, research or health and emergency services, and if used by public authorities to develop smart cities, better manage resources and improve environmental protection; highlights in particular the opportunities offered by energy sector digitalisation, with smart meters, smart grids and data hubs for more efficient and flexible energy production; underlines the importance of public-private partnerships and welcomes Commission initiatives in this respect;

125. Calls on the Commission and Member States to renew their commitment to the EU 2020 strategy’s research and innovation targets as building blocks of a competitive Digital Single Market, economic growth and job creation, with a comprehensive approach to Open Science, Open innovation, Open data and knowledge transfer; considers that this should include a revised legal framework for text and data mining for scientific research purposes, the increased use of free and open source software, particularly in educational establishments and public administrations, and easier access for SMEs and start-ups to Horizon 2020 funding adapted to the short innovation cycles of the ICT sector; stresses in this respect the importance of all relevant initiatives, from public-private partnerships and innovation clusters to European technology and science parks, notably in less industrialised European regions, and accelerator programmes for start-ups and joint technology platforms, as well as the ability to license standard-essential patents effectively, within the restraints of EU competition law, under FRAND licensing terms, in order to preserve R&D and standardisation incentives and foster innovation.

Oral / Written Questions

**Weaknesses in utilising European funds intended for PPPs in Greece**, E-001770/2018, Question for written answer to the Commission, Rule 130, Dimitrios Papadimoulis (GUE/NGL), 22-03-2018
A report from the European Court of Auditors points to long-standing weaknesses in utilising Union funds intended for PPPs from 1990 to 2014. It shows that the budgets for the construction of three motorways (Olympia Odos, E65, Moreas) were exceeded, which resulted in the Hellenic State spending an extra EUR 1.2 billion (due to revising the projects, while reducing the project scopes by 55%).

The European Court of Auditors puts the blame on the Greek administration due to ‘premature contracts with private concessionaires’, as well as on the Commission, which encouraged them on account of Greece’s financial difficulties. The report also points to relations of dependence due to insufficient competition, ineffective management of resources and delayed large projects.

In view of this:

1. What standards were used by the Greek authorities as a basis for planning and implementing these PPPs?
2. What measures is the Commission considering to ensure effective supervision and control during the planning and implementation of similar projects in the EU?
3. What does the Commission intend to do to comply with the recommendations of the Court of Auditors, as the latter has requested the Commission to play an important role in the approval of large co-financed projects?

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**Slovakian D4R7 Bratislava Bypass PPP project financed by EFSI and in compliance with Regulation (EU) No 2015/1017, E-007651/2017, Question for written answer to the Commission, Rule 130, Marco Zanni (ENF), 12-12-2017**

A 2016 briefing paper from the NGO Bankwatch focuses on the D4R7 Bratislava Bypass PPP project and its inconsistencies with the Commission’s political objectives. It is a PPP project, and provides for a motorway to be constructed which will be part of the TEN-T network. The EIB has allocated EUR 427 million in financing, approving the estimated EUR 629 million project.

[...] The Slovakian authorities have not informed citizens adequately on the selection method used for the PPP, therefore not allowing proper public consultation to take place. [...]  

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**Public-private partnerships and integrated territorial investment funding, E-015405/2015, Question for written answer to the Commission, Rule 130, Edward Czesak (ECR), 03-12-2015**

[...] in many countries the issue of PPPs is still not perceived to be very clear, and is therefore often overlooked, [...]

[...]
1. Will the Commission be taking action to promote PPPs in the context of integrated territorial investment (ITI), and will additional, detailed guidelines be drawn up in this area?

2. Does the Commission intend to develop recommendations and best practices on hybrid approaches, such as linking PPP financing with EU funding?

3. Will it be possible to link ITI funding with community-led local development (CLLD) or other programmes?

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Public-private partnership in the health sector, E-007690/2014, Question for written answer to the Commission, Rule 130, Paloma López Bermejo (GUE/NGL), 08-10-2014

The plenary session of 27 February adopted the opinion of a panel of experts on efficient investment in the health sector. In their conclusions, the authors stressed that there is no scientific evidence that public-private partnership (PPP) models in the health sector are more cost-effective than public health provision models.

The experts thus concur with the traditional criticisms of this and other methods of privatisation and liberalisation of the public sector, namely that it promotes private profit without any compensatory benefit for the consumer, as the profit must result from a worsening of the pay and employment conditions of workers in the sector.

This opinion comes at a critical moment in the development of these partnership mechanisms in Spain, known as the ‘Alzira model’, following its pioneering implementation in the Valencia region.

Is the Commission aware of the opinions put forward by health investment experts?

Does the Commission consider that the use of PPP may increase the cost to the public purse in the long term?

Given the lack of evidence in support of PPP, does the Commission consider that Structural Funds should not be used to develop it?
## Special report 10/2018 of 15 March 2018

Basic Payment Scheme for farmers – operationally on track, but limited impact on simplification, targeting and the convergence of aid level

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<th>Common Agricultural Policy (CAP)</th>
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<td>Report No / Date / Title</td>
<td>Special report no 10/2018 of 15-03-2018: Basic Payment Scheme for farmers – operationally on track, but limited impact on simplification, targeting and the convergence of aid levels</td>
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### Questions asked:

The overall audit question was whether in 2015 the Commission and the Member States introduced the BPS in line with the EU legal framework and the objectives of the CAP.

It was broken down into the following sub-questions:

1. Did the Member States’ control systems mitigate the risk of BPS payment entitlements being calculated incorrectly?
2. Did the Commission adequately support the Member States’ introduction of the basic payment and did she sufficiently supervise and audit Member States?
3. Has the introduction of the BPS contributed to simplification for both farmers and administrations and was it in line with the objectives of the CAP?

### Findings:

1. The Court concludes that the scheme is operationally on track, but that its impact on simplification, targeting and the convergence of aid levels is limited.
2. The Court found that overall, the Commission had well supervised the implementation of the BPS but this could not always ensure a consistent interpretation of the complex calculation rules. In addition, some Member States had not duly submitted key information, which made the Commission’s monitoring of the scheme more difficult (paragraphs 34 and 35).

3. The Court found that the overall objective of simplification has not been achieved: Complex rules for the calculation of BPS payment entitlements and the range of options and exceptions chosen by some Member States for the eligibility of land and the design of regions increased the burden on national administrations.

4. For the Member States that applied a convergence approach for the BPS, a specific risk arose of farmers being overcompensated by the introduction of the BPS, because they had significantly reduced the number of hectares farmed between the reference period (2014) and 2015. This made it possible to concentrate the reference amount derived from a larger area on a smaller area, enabling these farmers to realise a windfall profit.

5. The new rules aimed at better targeting BPS support and other direct payments at active farmers. While some Member States achieved good results, the implementation of the ‘active farmer’ rules was only partly effective, caused a significant administrative burden and could result in differing treatment of similar applicants, without delivering the expected results. As a result, Council and Parliament agreed that – as from 2018 – Member States can decide whether they reduce the criteria by which applicants can demonstrate their ‘active farmer’ status or discontinue the application of the ‘negative list’.

6. The 2013 reform of the CAP extended the categories of land on which support is payable and enabled Member States to take measures reducing the risk of speculative claims. In an attempt to better target support at agricultural land, however, it created difficult implementation problems.

7. The 2013 reform of the CAP represented a move towards more equal support levels per hectare. Under the reform, as a general rule, all payment entitlements activated in 2019 in a Member State or in a region should have a uniform unit value. As a derogation, Member States were allowed to take historical factors into account when calculating the value of payment entitlements which farmers should have in 2019, an option known as partial convergence. Six of the 18 Member States applying the scheme will pay a uniform value per hectare for the whole or a major part of their territory by 2019 (France decided to introduce a flat-rate system only for the region Corsica which accounts for just 0.6 % of the French budgetary ceiling for the BPS) and a seventh by 2020. The remaining eleven Member States opted for partial convergence. Member State choices have had a significant impact on the degree of redistribution of support and farmers could in some cases freeze particularly high support levels resulting from past levels of subsidy.

8. The allocation of BPS entitlements in 2015 was in general proportional to the areas farmed in that year. Convergence towards more uniform rates per hectare had a significant impact on the distribution of support among farmers. As a scheme essentially related to areas, the BPS tends to favour larger farms. Due to the design of the BPS and other area related support payments, the Commission expects that the 2013 CAP reform will be associated with a further increase of the capitalisation of decoupled support in land values, which benefits owners of agricultural land.
9. BPS support is a significant source of income for many farmers but has inherent limitations. It does not take account of market conditions, use of agricultural land or the individual circumstances of the holding, and is not based on an analysis of the overall income situation of farmers.

10. The objective of the Treaty to ensure a fair standard of living of farmers and the general CAP objectives of viable food production and farmers’ incomes have not been translated into measurable targets yet and there is no baseline to which the results achieved could be compared. In a future scenario of reduced budgets, this makes it difficult to measure the performance of the support and establish whether the objectives could be achieved by other distributions of support and at lower budgetary costs.

**Recommendations:**

The European Commission should:

1. Ensure the appropriate implementation of key controls by Member States and that Member States correct BPS entitlements where values are significantly affected by the nonapplication of the relevant rules or the absence of up-to-date land use information.

2. The Commission should:
   - *(a)* Review and take stock of the effectiveness of its systems for disseminating information among Member States, with a view to maximising their consistent interpretation and application of the BPS legal framework.
   - *(b)* Assess options for future legislation that would enable it to enforce the transmission of key information by Member States on the implementation of direct support schemes
   - *(c)* Clarify the respective roles of the Commission and of the certification bodies in checking the existence of effective key controls and the central calculation of BPS entitlements.

3. Before making any proposal for the future design of the CAP, the Commission should assess the income position for all groups of farmers and analyse their income support need, taking into account the current distribution of EU and national support, the agricultural potential of land, differences of areas mainly dedicated to agricultural production or maintenance, cost and viability of farming, income from food and other agricultural production as well as from non-agricultural sources, the factors for efficiency and competitiveness of farms and the value of the public goods that farmers provide. The Commission should link, from the outset, the proposed measures to appropriate operational objectives and baselines against which the performance of the support could be compared.
CONT Working Document of 08/05/2018 on ECA Special Report No 10/2018 (Discharge 2017): Basic Payment Scheme for farmers – operationally on track, but limited impact on simplification, targeting and the convergence of aid levels

The rapporteur, Claudia Schmidt (EPP), recommends adopting the Court's recommendations.

European Parliament resolution of 30 May 2018 on the future of food and farming (2018/2037(INI))

The European Parliament,

57. Calls for the current system for calculating direct payments in Pillar I, particularly in Member States where the value of entitlements is still calculated partly on the basis of historic references, to be modernised and replaced by an EU payment calculation method, the basic component of which would be income support for farmers within certain limits and which could increase in step with the contribution to delivering public goods in accordance with the EU objectives and targets until 2030, in order to make the system simpler and more transparent;

58. Welcomes the simple, justified, transparent and easy-to-implement Single Area Payment Scheme (SAPS), which has been successfully applied in many Member States; calls, therefore, for the SAPS to be retained beyond 2020 and suggests that it be used in any Member State or by any farmer in the EU;

59. Emphasises that such a scheme would enable the administratively-complex system of payment entitlements to be replaced, resulting in a considerable reduction in red tape;

60. Believes, with a view to ensuring their effectiveness in the long term, that these new payments should not become tradable commodities;

61. Requests that the Commission examine the necessity of payment claims as regards compatibility with WTO rules;

62. Underlines the fact that the public funds of the current CAP, which are spent on farmers’ actual activities, are subject to very precise and small-scale controls;

63. Considers that payments should also include a strong common conditionality including environmental deliverables and other public goods such as quality jobs

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European Parliament resolution of 14 December 2016 on CAP tools to reduce price volatility in agricultural markets (2016/2034(INI))
10. Notes that the most recent reforms of the CAP have almost fully decoupled direct aid from production, have continued the process of convergence for direct payments and have taken on board societal and, in particular, environmental concerns to a greater extent;  

18. Underlines the importance of maintaining decoupled direct aids under the current CAP together with the single area payment scheme, which constitute compensation for public services and a vital component in securing the income of farmers and providing them with a degree of financial stability;

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<td>1. Is the Commission aware that farmers are experiencing delays in payments under the new Basic Payment Scheme (BPS)?</td>
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<td>2. What action has been taken to ensure that this problem is rectified and that the dairy industry is provided with the support that it needs in the meantime?</td>
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Farmer inspections and the Basic Payments Scheme, E-006616/2017, Question for written answer to the Commission, Rule 130, Marian Harkin (ALDE), 24-10-2017

1. Can the Commission detail the percentage of farmers in each Member State who were inspected during the period 2010-2016 in the context of cross compliance rules, and what percentage of those inspected had Basic Payments Scheme fines imposed?
**Special report 11/2018 of 26 April 2018**

**New options for financing rural development projects: Simpler but not focused on results**

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**Questions asked:**

Did Simplified Costs Options (SCOs) lead to simplification while ensuring economy for the EU budget? Did the use of SCOs allow to achieve better results?

More specifically, the audit examined whether SCOs:

- simplify administration;
- ensure economy; and
- are widely used and enhance the focus on policy objectives.

The audit covered the design and the first three years (2015-2017) of paying rural development support through SCOs.

The overview of the use of SCOs was based on: the screening of the 118 Rural Development Programmes (RDPs), a desk review of 20 of them, audit visits to 6 RDPs, the comparison of project files and visits to final beneficiaries of 2 Member States.
Concerning the applicable rules and the Commission’s role, the auditors reviewed the legal framework, Commission guidance to the Member States, and the Commission’s internal procedures and checklists. In addition, they carried out: interviews at the Commission and reviews of the correspondence with the Member States.

**Findings:**

1. **The use of simplified cost options (SCOs) has simplified administration:** they make it easier for beneficiaries to submit claims, and allow time saving during administrative checks.

2. **Good use of SCOs can help contain the cost of rural development projects**
   - a) Good examples of methodology and calculations were found, but in some cases the underlying data were not available or data used for the calculations were not sufficiently justified.
   - b) Abolition of the independent certification requirement brings new challenges: the Commission does not examine methodology and calculations during approval of RDPs, but only in some selected audits and the role of Certification Bodies in auditing SCOs is not specified.

3. **The new SCOs covered a small part of total spending on rural development**
   - a) SCOs were not given priority in the preparation of the 2014-2020 RDPs, but the Commission does encourage their use.
   - b) The wide variety of measures and beneficiaries make it difficult to use SCOs, but they can be used for a wide range of investments and recent changes to the legislation may encourage more use of SCOs in rural development.
   - c) Member State authorities are concerned about Commission audits.

4. **SCOs have not been linked to a greater focus on results**
   - a) SCOs shift the focus from invoices to output but do not lead to greater focus on results.
b) The Commission has proposed moving towards results-based payments

**Recommendations:**

1. The Commission should update its guidance on SCOs to cover key principles for developing methodologies. This should include:
   - minimum data-requirements;
   - acceptable variation in prices used; and
   - consideration of data sets containing extreme values and volatile data.

2. The Commission should clarify who is required to check the methodology and calculation of SCOs.

   Specifically, the Commission should, taking into account the assurance requirements set out in Annex II.1, clarify the Certification Bodies’ role and include in its guidance for the Certification Bodies specific reference to the audit of SCOs and related internal control systems.

3. To facilitate the appropriate use of SCOs, the Commission should
   - explore the options for further developing soundly based off-the-shelf SCOs; and
   - update its definitions of key and ancillary controls to reflect the use of SCOs.

4. The Commission should examine the potential for moving away from reimbursement of costs incurred towards reimbursement based on results. In doing so, the Commission should take on board experience gained from introducing SCOs.

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**CONT Committee Working Document; Rapporteur**


Rapporteur: Karin Kadenbach

[Recommendations by the rapporteur,]
2. Regrets that the new SCOs are only used for a marginal part of rural development spending and that they are not enhancing the potential of this source of funding, although simplification should be a way to encourage beneficiaries to engage in projects;

3. Regrets that there are very few indicators at hand allowing to assess whether the objectives of this measure were attained or not;

4. Calls on the Member States as well as the beneficiaries and their associations to fully exploit the possibilities offered by the system of simplified cost options in rural development;

5. Recalls that simplification must allow appropriate levels of control, the responsibility of which must be clearly defined;

6. Recalls that simplification must be beneficial to both administrations and projects bearers.

Related EP Reports / Resolutions of other committees

European Parliament resolution of 3 October 2018 on addressing the specific needs of rural, mountainous and remote areas (2018/2720(RSP))

[The European Parliament,]

1. Stresses the importance of rural, mountainous and remote areas for balanced territorial development in Europe and the need to strengthen them by addressing their specific needs through EU policies;

2. Believes that fostering local development is essential to stabilising and counterbalancing negative trends on local markets, demographic dynamics and natural assets;

3. Calls, moreover, for coordination of EU policies to ensure the development of rural territories;

11. Stresses that the European Agricultural Fund for Rural Development (EAFRD) contributes significantly to economic and social cohesion, in particular in rural areas, and has an important territorial dimension; recommends, therefore, that EAFRD spending continue to be linked with cohesion policy, also with a view to facilitating integrated and complementary funding and to simplifying procedures for beneficiaries, so that regions can draw from different EU sources in order to optimise funding opportunities and invest in rural areas.

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European Parliament resolution of 16 February 2017 on investing in jobs and growth – maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR (2016/2148(INI))

(The European Parliament,)

9. Underlines, in particular, that consideration should be given to the circumstances of urban or rural regions, the so-called ‘lagging regions’, transition regions and regions with permanent natural or geographical handicaps, and appropriate support policies should be drawn up for the development of these areas, which without cohesion policy might have been unable to catch up with more developed regions; calls on the Commission to pursue and expand strategies to implement the urban agenda, together with local authorities and metropolitan regions conceived as EU growth centres; recalls in this context that it is important to allow sufficient flexibility for Member States and regions to support new policy challenges, such as those relating to immigration (while keeping in mind the original and still relevant goals of cohesion policy and the specific needs of regions), as well as the broadly understood digital dimension of cohesion policy (including ICT and broadband access issues, which are linked to the completion of the Digital Single Market); draws attention to the Energy Union Strategy, the Circular Economy Strategy, and the EU’s commitments under the Paris climate change agreement, as the ESI Funds have an important role to play in delivery;

32. Notes that one of the main goals of the 2014-2020 programming period is further simplification for beneficiaries of the ESI Funds, and acknowledges that simplification is one of the key factors for better access to funding;

33. Welcomes the fact that the current modernised regulatory framework for the ESI Funds provides new possibilities for simplification in terms of common eligibility rules, simplified cost options and e-governance; regrets, however, that the Commission communication on Article 16(3) CPR does not include any specific information as regards the use of Simplified Cost Options (SCOs); underlines that there is a need for further efforts to develop the full potential of SCOs in terms of alleviating administrative burden; notes that significant simplification measures are still needed for both beneficiaries and managing authorities, focusing on public procurement, project management, and audits during and after the operations.

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European Parliament resolution of 9 September 2015 on ‘Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union’ (2014/2245(INI))
25. Warns, however, that the EFSI should not undermine the strategic coherence and long-term perspective of cohesion policy programming; stresses that a re-direction of Structural Funds would be counterproductive and can therefore not be accepted, as it would put their effectiveness – and the development of the regions – at risk; points out that the financial allocations to Member States agreed on under Heading 1b in the MFF for 2014-2020 cannot be modified for the purposes of the EFSI; emphasises that the replacement of grants by loans, equity or guarantees, while having certain advantages, must be carried out with caution, taking into account regional disparities and the diversity of practices and experiences between regions concerning the use of financial instruments; points out that the regions most in need of investment stimuli often have low administrative and absorption capacities;

28. Welcomes the thematic concentration in support of investments in smart, sustainable and inclusive growth aimed at creating growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion, as well as the enhanced focus on results and measurability in the 2014-2020 programmes, which should contribute to further increasing the efficiency and effectiveness of cohesion policy; maintains, at the same time, the requirement of greater flexibility for the regions, depending on local and regional specificities, especially in the context of the severe crisis, in order to reduce the development gaps between the various regions of the Union; calls for a genuinely integrated and territorial approach to target programmes and projects that address the needs on the ground.

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**European Parliament resolution of 27 October 2016 on how the CAP can improve job creation in rural areas (2015/2226(INI))**

6. Points out that, in the current programming period and in accordance with the Rural Development Programme, there is provision for targeted aid for the cultivation of local varieties and the keeping of local breeds, thus promoting regional employment and sustaining biodiversity; invites Member States to introduce mechanisms whereby groups and organisations of producers and farmers who cultivate and keep local varieties and breeds can receive targeted aid;

14. Notes that the current rural development programmes are much less focused on social projects that defend jobs than those of the previous programming period (2007-2013), owing to the measures selected by the Member States in their rural development
programmes and the smaller amount of funding earmarked for employment-related measures; therefore calls for greater flexibility in the implementation of rural development policy;

15. Considers that it is necessary to simplify the implementation of rural development policy, to adopt more coherent approaches, along the same lines as multi-funds, and to stop the Member States and the Commission imposing overly painstaking administrative and financial checks;

18. Emphasises that rural development and job creation go hand in hand and consequently calls on the Member States and regions to maximise the potential of local and regional authorities, which are the most familiar with the challenges and opportunities of their areas, to achieve Pillar 2 objectives and respect the priorities of the CAP, including the promotion of social inclusion, poverty reduction and economic development; recalls the possibility of focussing rural development and operational programmes on job creation and retention, and on improving rural services, and calls on the Commission to assist them in achieving that objective; highlights the adaptation of sharing-economy models in rural areas with a view to boosting employment, making agricultural activities more efficient and reducing costs.

**Oral / Written Questions**

**New options for financing rural development projects, E-002764/2018, Question for written answer to the Commission, Rule 130, Ramón Luis Valcárcel Siso (PPE), 23-05-2018**

The European Court of Auditors’ recently published Special Report No 11/2018 on new options for financing rural development projects examines simplified cost options (SCOs) as a new method of reimbursement for certain rural development policies. Specifically, the ECA audited the introduction of three SCOs available to Member States in the 2014-2020 programming period, namely: standard scales of unit costs, lump sums and flat-rate financing.

The auditors examined whether the SCOs in question simplified administration, underpinned economic growth and were widely used, with a focus on the policy objectives being pursued. Overall, the ECA found that the SCOs had simplified administration and reduced the associated burden on Member State authorities and on the beneficiaries of EU funding.

However, it recommended that the Commission update its guidance on SCOs to cover key principles for developing methodologies and that it clarify who is required to check the methodology and calculations for the new options.
Will the Commission therefore initiate a process to update its guidance on SCOs to make them more effective for the post-2020 programming period?

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**ESF funding**, E-006722/2016, Question for written answer to the Commission, Rule 130, Enrico Gasbarra (S&D), 06-09-2016

The European Social Fund uses its EUR 86 billion in resources to tackle challenges of the utmost importance for EU cohesion and sustainability. ESF activities generally need to be more attractive to beneficiaries with regard to investment, including the nature of the objectives financed.

Given the above, will the Commission introduce simplified cost options to pave the way for participation by other stakeholders in ESF activities?

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**Cost-effectiveness of EU rural development support**, E-001181/2016, Question for written answer to the Commission, Rule 130, Jørn Dohrmann (ECR), 09-02-2016

The European Court of Auditors has recently published its Special report No 20/2015: ‘The cost-effectiveness of EU Rural Development support for non-productive investments in agriculture’.

The audit reveals that three quarters of the EU-funded projects audited showed clear signs of the costs being either unreasonably high or insufficiently justified, and that only five of 28 audited projects were cost-effective. As that is only a spot check the problem may be even worse. The auditors noted that the Member States did not check whether the claimed expenses were actually incurred, or that they accepted the highest bid without asking for any justification. Even though the support continues for the rest of the 2014-2020 period, the Commission and the Member States have still not corrected most of these weaknesses, as they have not done enough to identify them in time.

Can the Commission confirm the substance of the report?

What will the Commission do to remedy these serious problems?
When will the Commission remedy these problems, given that the programming period lasts from 2014 to 2020?

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**Court of Auditors’ report on financing mechanisms in the rural development sector**, E-007762/2015, Question for written answer to the Commission, Rule 130, Dimitrios Papadimoulis (GUE/NGL), 13-05-2015

The use of financial mechanisms utilising European fund resources leveraged via the financial/banking system will increase dramatically in the new programming period.

However, despite the theoretical benefits of using such mechanisms, their utilisation by the Commission and Member States has not produced the anticipated results, as illustrated in recent reports by the European Court of Auditors.

To be precise, in two of its reports the Court of Auditors has evaluated the use of financial mechanisms in the cohesion policy and rural development policy sectors and has identified serious shortcomings in the planning and legal framework of said mechanisms, major failures in achieving their stated targets and problems with the take-up of earmarked funds due to the financial crisis and lack of banking liquidity.
Special report 12/2018 of 5 June 2018

Broadband in the EU Member States: despite progress, not all the Europe 2020 targets will be met

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**Questions asked:**
The audit addressed the effectiveness of the action taken by the Commission, the Member States and the EIB to achieve the Europe 2020 broadband objectives.

More specifically, it examined:
- whether the Member States are likely to achieve the Europe 2020 broadband objectives and whether the Commission monitored these achievements;
- whether the Member States had developed appropriate strategies to achieve these objectives;
- whether the Member States had effectively implemented their strategies – including the measures and financing sources chosen (including the EIB) and the regulatory, competitive and technological environments established;
- the Commission’s support in relation to these three topics.

The audit covered all the following funding sources: ERDF, EAFRD, CEF, EFSI, EIB loans and CEBF. It focused on five Member States: Ireland, Germany, Hungary, Poland and Italy. These Member States represent around 40% of the EU population, and were selected to provide reasonable balance in terms of geographical spread and aspects of broadband coverage, such as rurality and subscription cost. The audit covered the 2007-2013 and the 2014-2020 programme periods.
Findings:

1. Although broadband coverage is improving across the EU, some Europe 2020 targets are unlikely to be achieved
   a) All Member States achieved the basic broadband coverage target by 2016
   b) Two of the five examined Member States may achieve the 30 Mbps coverage target by 2020 but rural areas remain problematic in most Member States
   c) Most of the examined Member States are not likely to achieve the take-up target by 2020; three of the examined Member States may, based on their current plans, be in good position to achieve the 2025 targets
   d) The Commission’s support was positively assessed by the Member States but its monitoring is uncoordinated across Directorates-General

2. All Member States developed broadband strategies, but there were weaknesses in those we examined
   a) All Member States developed strategies, but they were late and their targets were not always consistent with those in Europe 2020
   b) The examined Member States’ strategies submitted to the Commission were not always complete
   c) Not all the examined Member States have addressed the challenges related to their legacy infrastructure

3. Various factors limited Member States’ progress towards meeting broadband targets
   a) Financing in rural and sub-urban areas is not properly addressed in some Member States
   b) The legal and competitive environment poses problem in some Member States
   c) Some Member States improved the process of coordinating broadband investments but we found a lack of coordination across programme periods in one examined Member State

Recommendations:

1. The Commission should request all Member States, based on current progress against the three EU 2020 targets, to highlight those areas where these targets may not be achieved by 2020 and to include, where possible, remedial action.

2. All Member States should, as part of preparations for the post 2020 programme period, develop revised plans to show how they intend to meet those relevant high level targets for broadband after 2020 whether the Gigabit Society targets for 2025 or others.
3. The Commission should, for the post 2020 programme period, develop common, consistent output and result indicators for use in Member States’ operational programmes enabling progress against relevant high level objectives to be tracked while taking account of the need to limit the number of indicators.

4. All Member States should review the mandate of their National Regulatory Authorities in accordance with the revised EU regulatory framework for telecoms, with a view to ensuring that they are able to impose their recommendations and remedies (including penalties for non-compliance) on operators.

5. The Commission should clarify for Member States the application of the State aid guidelines with regard to the 100 Mbps and the Gigabit society targets.

6. The Commission should support the Member States in incentivizing the set-up of wholesale open access networks in white and grey areas through developing an adequate legal framework, guidance and guidelines. This type of network should facilitate an adequate competitive environment, leading to better service provision for users.

7. The Commission should disseminate best practices, issue guidance and guidelines to incentivize the aggregation of smaller projects, where appropriate, by authorities in Member States, with a view to achieving economies of scale. This should make such projects commercially more viable and thus ease access to financing.

8. The EIB should focus its support through the EFSI and CEBF on small and medium size projects in white and grey areas in line with the aim of supporting riskier projects. In addition, the output and result indicators at project completion should include, when relevant, the number of premises covered and connected in white and grey areas, and an indication of the broadband speeds achievable.

CONT Working Document of 25/07/2018 on ECA Special Report 12/2018 (Discharge 2017): Broadband in the EU Member States: despite progress, not all the Europe 2020 targets will be met

Rapporteur: Andrey Novakov

Recommendations by the rapporteur:

1. Is convinced that high-speed internet connections are an essential element of the Digital Single Market and can therefore give Member States a competitive edge in economic, social and educational matters; good internet speed and access are crucial for our lives, business and national governments;
2. Underlines that investments in broadband will help promote social inclusion and fight against depopulation in rural and isolated areas. Rural and remoter areas should have access to broadband in the interest of creating a homogenous single market;

3. Welcomes in this regard the Commission proposal on revised EU telecom rules, which aims to triggering investment, in particular in economically less viable areas characterised by low population density or in rural areas;

4. Agrees with the Court’s recommendation that Member States should develop revised plans for the period after 2020;

5. Calls, therefore, on all Member States to make sure that not only the Europe 2020 objectives for broadband are met in good time, but also the Commission’s “Gigabit Society 2025” targets; all urban areas and all major terrestrial transport paths to have uninterrupted 5G coverage, and all European households, rural or urban, to have access to internet connectivity offering a download speed of at least 100 Mbps, upgradable to Gigabit speed;

6. Shares the Court’s view that Member States should review the mandate of their National Regulatory Authorities in accordance with the revised EU regulatory framework for telecoms, so they are able to impose their recommendations and remedies (including penalties for non-compliance) on operators;

7. Believes that financial support to broadband should represent a balanced mix of grants and financial instruments, where investments should be guided through intervention logic and take into consideration regional and market realities;

8. Is convinced that support to broadband through financial instruments is predominantly focused on economically viable regions and well-developed local markets. Notes that grants are more suitable for rural, mountainous and remote areas, where private investments and operations with financial instruments are riskier by default;

9. Shares the Court’s view that the Commission should collect and disseminate best practices in the area of broadband, more specifically on planning investments and implementation of projects;

10. Is convinced that the Commission will continue clarifying for Members States the application of the State Aid for broadband and welcomes the Commission’s intention to include further information with regard to the 100 Mbps and Gigabit society targets.

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13. Stresses that the lack of digital equipment and connectivity in schools across Member States has a detrimental effect on the digital skills education of students and the availability of digital teaching tools; calls on the Member States to make substantial public investments to provide all schools with high-capacity broadband and to make use of existing EU programmes for this purpose, notably the Connecting Europe Facility, which can support the physical infrastructure of high-capacity broadband networks, and the WiFi4EU voucher scheme; emphasises that connectivity efforts and funding should be focused in particular on rural and disadvantaged areas, and the outermost and mountainous regions;

36. [...] insists, however, that effective digital skills assessment methods must be dynamic, flexible, constantly updated and tailored to learners’ needs, and must also achieve much broader uptake across the Union at national, regional and local levels;

38. [...] takes the view that the teaching of programming should be part of a broader educational approach to information technology and critical and computational thinking.

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**European Parliament resolution of 30 May 2018 on the future of food and farming (2018/2037(INI))**

[The European Parliament, ]

113. Welcomes the Commission’s commitment to promoting the concept of ‘smart villages’ in the EU, which will make it possible, through a more coordinated development of the different policies, to comprehensively address the insufficient broadband connections, job opportunities and service provision in rural areas.

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**European Parliament resolution of 14 March 2018 on the next MFF: Preparing the Parliament’s position on the MFF post-2020 (2017/2052(INI))**

[The European Parliament, ]

85. Calls on the Commission to promote investment in developing next-generation technologies and promoting their deployment; underlines the importance of ensuring financing for completing the digital single market by making full use of the spectrum, ensuring the upgrading of fixed networks and the densification of mobile networks, promoting 5G deployment and gigabit connectivity, and making further progress on the harmonisation of EU telecom rules in order to create the right regulatory framework for the improvement of internet connectivity throughout the Union; stresses that CEF Telecom should continue to support Digital Service Infrastructures and high-speed broadband networks by enabling their accessibility, including in remote regions and rural areas, and by improving digital literacy, interconnectivity and interoperability; underlines the need to support the digital transformation of the European economy and society and to invest in essential technologies such as big data, artificial
intelligence or high-performance computing, in infrastructure and in digital skills in order to enhance the EU’s competitiveness and improve the quality of life of Europeans.


109. Stresses the importance of funds aimed at enabling access to high-speed broadband networks in order to keep up with technological advancement and boost competition, especially in rural and remote areas.


43. Emphasises the importance of ensuring access to broadband in all regions, including rural areas and regions with serious and permanent natural or demographic problems, so as to promote harmonious development throughout the EU.

European Parliament resolution of 17 April 2018 on strengthening economic, social and territorial cohesion in the European Union: the 7th report of the European Commission (2017/2279(INI))

9. Stresses the importance of supporting rural areas in all their diversity, by valuing their potential, encouraging investment in projects that support local economies as well as better transport connectivity, accessibility and very high-speed broadband, and assisting those areas in meeting the challenges they face, namely rural desertification, social inclusion, lack of job opportunities, entrepreneurship incentives and affordable housing, population loss, the destruction of city-centre communities, areas without healthcare, etc; stresses, in this respect, the importance of the second pillar of the CAP in promoting sustainable rural development.
### European Parliament resolution of 3 May 2018

*on the annual report on the control of the financial activities of the EIB for 2016 (2017/2190(INI))*

55. Urges the EIB to ensure its support for innovative firms in their development and commercialisation of new products, processes and services as they face difficulties in obtaining financial aid from commercial banks; stresses the role of the EIB in helping to complete Europe’s digital network (e.g. fast broadband) and create a single digital market, including digital services; encourages the EIB to develop incentives aimed at promoting public and private sector investment in R&amp;D in the fields of information and communications technology, life sciences, food, sustainable agriculture, forestry and low-carbon technologies.

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### European Parliament resolution of 15 June 2017

*on a European Agenda for the collaborative economy (2017/2003(INI))*

58. Points out that the collaborative economy thrives, in particular, in those communities, in which knowledge- and education-sharing models are strong, thereby catalysing and consolidating a culture of open innovation; stresses the importance of coherent policies and the deployment of broadband and ultra-broadband as a precondition to develop the full potential of the collaborative economy and to reap the benefits offered by the collaborative model; recalls, therefore, the need to enable an adequate network access for all citizens in the EU, especially in less populated, remote or rural areas, where sufficient connectivity is not yet available.

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### European Parliament resolution of 1 June 2017

*on internet connectivity for growth, competitiveness and cohesion: European gigabit society and 5G (2016/2305(INI))*

20. Believes that 5G is more than an evolution of mobile broadband and that it will be a key enabler of the future digital world as the next generation of ubiquitous ultra-high broadband infrastructure that will support the transformation of processes in all economic sectors (public sector, education, converged media content delivery, healthcare, research, energy, utilities, manufacturing, transportation, the automotive industry, audiovisual, virtual reality (VR), online gaming and so forth) and provide affordable, agile, flexible, interactive, reliable and highly personalised services that should improve every citizen’s life;
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<tr>
<td><strong>36.</strong> Stresses that the development of 5G technologies is a cornerstone for transforming the ICT network infrastructure towards all-encompassing smart connectivity: smart cars, smart grids, smart cities, smart factories, smart governments and beyond; believes that ultrafast broadband and intelligent, efficient network features that achieve near-instantaneous connectivity between people, human-to-machine and connected machines will come to redefine end user connectivity, which will be enabled by network paradigms such as mesh networks, hybrid networks, dynamic network slicing and softwarisation technologies;</td>
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<tr>
<td><strong>43.</strong> Welcomes the Connecting Europe Broadband Fund, a fund for broadband infrastructure open to participation of National Promotional Banks and Institutions and of private investors, which will be a step further to bring infrastructure investments to underserved less populated and rural and remote areas;</td>
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<td><strong>62.</strong> Stresses that National Broadband Plans need to be reviewed and, where appropriate, revised carefully, target all 5G areas, maintain a multi-technology, competitive approach, support regulatory certainty and maximise the scope of innovation and coverage, with one of the targets being to bridge the digital divide;</td>
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<td><strong>63.</strong> Calls on the Commission to assess the National Broadband Plans to identify gaps, and to formulate country-specific recommendations for further action;</td>
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<td><strong>64.</strong> Welcomes the Commission initiative to establish the Participatory Broadband Platform to ensure the high-level engagement of public and private entities, as well as local and regional authorities;</td>
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<td><strong>66.</strong> Recalls that SMEs would benefit greatly from competitive access to 5G solutions; calls on the Commission to detail its action plans to facilitate the participation of SMEs and start-ups in experimentation with 5G technologies and to ensure them access to the 5G Participatory Broadband Platform.</td>
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**European Parliament resolution of 16 February 2017 on investing in jobs and growth – maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR (2016/2148(INI))**

*The European Parliament,* |

9. Underlines, in particular, that consideration should be given to the circumstances of urban or rural regions, the so-called ‘lagging regions’, transition regions and regions with permanent natural or geographical handicaps, and appropriate support policies should be drawn up for the development of these areas, which without cohesion policy might have been unable to catch up with more developed regions; calls on the Commission to pursue and expand strategies to implement the urban agenda, together with local authorities and metropolitan regions conceived as EU growth centres; recalls in this context that it is important to allow sufficient flexibility for Member States and regions to support new policy challenges, such as those
relating to immigration (while keeping in mind the original and still relevant goals of cohesion policy and the specific needs of regions), as well as the broadly understood digital dimension of cohesion policy (including ICT and broadband access issues, which are linked to the completion of the Digital Single Market); draws attention to the Energy Union Strategy, the Circular Economy Strategy, and the EU’s commitments under the Paris climate change agreement, as the ESI Funds have an important role to play in delivery.

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[The European Parliament, ]

14. Regrets that only 28 % of European households in rural areas had a fixed fast internet connection in 2015 and that the average coverage of 4G in the EU, despite being 86 % in the EU overall, is only 36 % in rural areas, and draws attention to the urgent need for continuous support for broadband expansion, especially in rural areas, since access to a high-speed broadband connection is indispensable for using and benefiting from eGovernment services; calls on the Commission and the Member States therefore to continue providing adequate funding for broadband expansion, digital service infrastructure and cross-border interaction of public administration after 2020, within the scope of the Connecting Europe Facility or other suitable EU programmes, thereby ensuring long-term sustainability; calls on operators in this regard to invest more in infrastructure to improve connectivity in rural areas and to ensure that rural areas will also benefit from very high-capacity networks in the form of 5G, since this will be a key building block of our digital society;

15. Stresses that the full deployment of safe, adequate, resilient, reliable and high-performance infrastructure, such as ultrafast broadband and telecommunications networks, is essential for the functioning of eGovernment services; calls, therefore, for the swift adoption of the European Electronic Communications Code (EECC) to achieve European strategic objectives; considers it crucial that public authorities are kept up to date with technological developments and have sufficient capacity to adopt innovative technologies, such as big data and the internet of things, or the uptake of mobile services, such as 5G, that are able to meet users’ needs.

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**European Parliament resolution of 10 March 2016 on ‘Towards a thriving data-driven economy’ (2015/2612(RSP))**

[The European Parliament, ]

8. Notes that a data-driven economy depends on a wider ICT ecosystem to succeed, including the Internet of Things (IoT) for sourcing data, high-speed broadband networks for transporting them and cloud computing for processing them, as well as skilled employees, access to data, and interoperability; points out that this sector requires enormous investments in cloud development, super-computing and high-speed broadband,
which are prerequisites for a successful digital economy; calls for a better regulatory framework and environment that target both the private and public sectors; recalls that private-sector investment in network infrastructure should remain essential; encourages, in this connection, the Commission and the Member States to stimulate investments in network infrastructure through a positive regulatory framework and to continue to support broadband infrastructure through existing programmes such as the Connecting Europe Facility, the European Fund for Strategic Investments (EFSI) and the Cohesion Fund, but only in areas with identified market failures.

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(The European Parliament, )

54. Reminds the Member States of their commitment to reach by 2020 full deployment of at least minimum target speeds of 30 Mbps; calls on the Commission to evaluate whether the current broadband strategy for mobile and fixed networks, including targets, is future-proofed, and to meet the conditions for high connectivity for all to avoid the digital divide for the needs of the data-driven economy and the rapid deployment of 5G and ultra-fast broadband.

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(The European Parliament, )

47. Underlines that, in the next-generation broadband sector, the former monopolies have a staggering market share of over 80%; recalls that effective competition is the best driver of efficient investment and provides maximum consumer benefit in terms of choice, price and quality; calls on the Commission, therefore, to enforce properly both ex post and ex ante competition rules in order to prevent excessive market concentration and abuse of dominance, as competitive pressure is key to ensuring that consumers can benefit the most from high-quality services at affordable prices;

48. Stresses that limiting competition is unlikely to lead to more broadband investment, even in remote areas, as full coverage of basic broadband services has been achieved in Europe through a regulatory framework ensuring access to dominant operators’ networks;

49. Believes that investment in next-generation broadband infrastructure is clearly core to achieving a digital economy and society, but that in order to maximise investments, telecoms policies should enable all players to make efficient investments by providing them with effective access to non-duplicable network assets and fit-for-purpose wholesale access products;
50. Calls on the Commission to base its decisions and policy proposals on a thorough and impartial analysis of correct, relevant and independent datasets; highlights, in particular, doubts about the correctness of data presented on the EU’s under-performance in high-speed broadband including speeds received by end-users, infrastructure investments and the financial state of the sector in a global comparison.

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<th>Oral / Written Questions</th>
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<td><strong>Broadband coverage in rural areas</strong>, E-003071/2018, Question for written answer to the Commission, Rule 130, Deirdre Clune (PPE), 06-06-2018; <strong>Broadband infrastructure in rural areas</strong>, E-007424/2017, Question for written answer to the Commission, Rule 130, Claudia Ţăpardel (S&amp;D), 01-12-2017; <strong>Broadband strategy</strong>, E-003372/2016, Question for written answer to the Commission, Rule 130, Filiz Hyusmenova (ALDE), 27-04-2016; <strong>Progress on rural broadband</strong>, E-013652/2015, Question for written answer to the Commission, Rule 130, Matt Carthy (GUE/NGL), 08-10-2015; <strong>Introduction of broadband Internet in rural areas</strong>, E-005113/2015, Question for written answer to the Commission, Rule 130, Jozo Radoš (ALDE), 31-03-2015; <strong>Broadband in rural areas</strong>, E-008992/2014, Question for written answer to the Commission, Rule 130, Siôn Simon (S&amp;D), 10-11-2014; <strong>Broadband in rural areas</strong>, E-008384/2014, Question for written answer to the Commission, Rule 130, Liadh Ní Riada (GUE/NGL), 27-10-2014</td>
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According to a recent report by the European Court of Auditors, it appears that the Europe 2020 targets regarding broadband coverage across all Member States are unlikely to be achieved. This is partly owing to the fact that a discrepancy still exists between coverage in urban areas and in rural areas.

In Ireland, the overall broadband coverage in the country is 97%, whereas it stands at only 94% in rural areas.

Coverage in rural areas is necessary for ensuring high-quality education and social and economic inclusion. Without the proper infrastructure in place, rural areas are left at risk of falling behind in the digital era.

One observation that has been made is that for private investors, and specifically the telecommunications sector, rural areas appear to be less lucrative and therefore a less attractive investment. Without the commitment to invest in rural areas, we can already see the effects of the ‘digital divide’ within Member States, leading to two tiers of social and economic activity.

Is the EU committed to putting in place a secure public funding framework for intervention where such market failure occurs?

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**Financing of network infrastructure**, E-004140/2018, Question for written answer to the Commission, Rule 130, Eva Maydell (PPE), 25-07-2018
In a press release dated 27 June 2018, the European Commission announced the first EUR 420 million for the Connecting Europe Broadband Fund for financing network infrastructure in underserved areas in Europe. The Fund provides different levels of risk to the investors, with the Commission absorbing the first part of the loss.

1. Is there a limit to the loss that the Commission will absorb, and if so, what is the amount?
2. Will the potential losses that have to be absorbed affect the projects already approved, that is, will it be necessary to reduce the funds approved under different projects at the expense of the losses?
3. How will entrepreneurship in these areas be further encouraged after the network infrastructure is improved?

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**Broadband coverage in Member States**, E-003173/2018, Question for written answer to the Commission, Rule 130, Ramón Luis Valcárcel Siso (PPE), 12-06-2018; **Superfast broadband and EAFRD**, E-009446/2016, Question for written answer to the Commission, Rule 130, Siôn Simon (S&D), 14-12-2016; **Expanding broadband internet access to stimulate growth**, E-009666/2014, Question for written answer to the Commission, Rule 130, Barbara Kappel (NI), 25-11-2014

In the Europe 2020 strategy, designed to ensure smart, sustainable and inclusive growth in all Member States, the Commission included a plan for the inclusive development of Internet access: ‘A Digital Agenda for Europe’.

This plan set out the aim of ensuring full basic broadband coverage by 2013 and super fast broadband by 2020, with ultra fast broadband in at least 50% of households.

However, in its Special Report No 12/2018, the European Court of Auditors found that rural areas remain problematic in most Member States, 14 of the 28 having coverage of less than 50% in rural areas. Additionally, only 15% of households had subscribed to ultra fast broadband connections by mid-2017.

In light of this assessment, and taking into account the timeframe, can the Commission guarantee that these targets will be met by 2020?

If not, what measures does the Commission plan to include in the next MFF to ensure the full implementation of this Agenda, which is vital if the digital divide that exists in many parts of the Union is to be closed?

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**Digital skills**, E-007394/2017, Question for written answer to the Commission, Rule 130, Claudia Ţaşdar (S&D), 30-11-2017
Research indicates that broadband can significantly boost productivity and that Internet connectivity is an essential driver for social empowerment, as well as a precondition for economic equality and growth. However, the efficiency gains promised by e-government and e-services can only be realised if all citizens are connected. Rapid technological advances and development of online platforms, IoT and artificial intelligence lead to the exclusion of those who remain disconnected.

The Commission has reported uneven rural broadband coverage, as low as 28% fixed-line and 36% mobile (4G) household coverage. Besides the digital divide caused by geographical factors, there is also the divide of digital literacy. Owing to low digital literacy, e-services would still not emerge even if there were connectivity. Data from 2015 reveal that in one third of the EU-28 more than 50% of the population has low or no digital skills, and even in top-performing countries 20% of the population still lacks such skills.

In view of this, and considering the connectivity goals set by the EU Digital Agenda for 2020, what specific measures has the Commission taken to address the current low levels of digital skills and the existing digital gap between rural and urban areas?

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5G for all European citizens, E-002096/2017, Question for written answer to the Commission, Rule 130, Alfred Sant (S&D), 28-03-2017

One year after the publication of the Commission’s white paper on 5G, and a few weeks after the conclusion of the 2017 Mobile World Congress, the EU is still far from having achieved the next generation of broadband networks.

Overall, digital technologies account for an estimated 21% of GDP growth in the world’s most advanced economies, and are expected to continue to grow exponentially. As the EU is facing the need for growth, it is vital to take account of the fact that productivity, jobs and innovation arise from the adoption of digital technologies.

While 3G has been a success, mistakes have been made in the adoption of 4G, with the result that companies and consumers have not been able to benefit immediately from the new technology.

— What has the Commission done to ensure that the 5G framework will not face similar implementation issues?

In contrast to other regions, where the development of networks is consumer-oriented, EU efforts appear to be focused on machine-to-machine and industry-to-industry channels of communication.

— As 5G will enable connections of multiple devices and sensors, and as this technology is expected to transform our homes, cities and industries, what is the Commission doing to ensure that European consumers will benefit from it concurrently with industry digitalisation?
### Broadband speeds, E-016111/2015, Question for written answer to the Commission, Rule 130, Miriam Dalli (S&D), 22-12-2015

A study published recently by the Commission demonstrates that fixed broadband users in Europe obtain, on average, only 75% of the connection speed promised by their respective operators.

Although the average actual download speed increased significantly from 30 Mbps in 2013 to 38 Mbps in 2014 thanks to continuous investment in broadband networks, there is still a marked difference between advertised and real speed. The published data reveals that operators are still not keeping the promises they make when Internet broadband is purchased.

1. How does the Commission intend to address this discrepancy, which is detrimental to EU citizens?
2. How will the Commission ensure that operators become more transparent?
3. What measures and methods will the Commission introduce to give users more rights under its new rules for a telecoms single market?

### Rural development, broadband and cohesion policy, E-013511/2015, Question for written answer to the Commission, Rule 130, Ramón Luis Valcárcel Siso (PPE), 06-10-2015

Development of the single digital market is a key priority for the EU. The European Structural and Investment Funds will play a vital role in bringing this about.

Development of broadband infrastructure is vital. Investment is this is fairly profitable in urban areas and does not normally require government support. It is however much more difficult to invest in this in rural areas.

Both the European Regional Development Fund (ERDF) and the European Agricultural Fund for Rural Development (EAFRD) are able to finance the spread of broadband.

The possibility of developing a coordination mechanism within the Commission has been mentioned in this respect in order to make optimum use of these funds. [...]
According to the DESI 2015 presented at the Digital4EU forum in Brussels, Cyprus pays the highest price for basic broadband connections in the European Union. In fact, a broadband connection in Cyprus costs on average 3% of the subscriber’s gross income. This is higher than the overall average in the European Union.

The repercussions of this high cost, in terms of the lack of broadband connections, are among the worst in the European Union and the prohibitive cost is depriving the majority of Cypriot citizens of the benefits of the Internet entirely and hampering development of the digital economy.

In view of the above, will the Commission say:

1. What action does it intend to take to reduce the price of Internet subscriptions in Cyprus, given the unsatisfactory transmission speeds?
2. What action does it intend to take to encourage Cypriot citizens to make more frequent use of online banking or online shopping and thus promote the digital economy?
### Special report 13/2018 of 29 May 2018

**Tackling radicalisation that leads to terrorism: the Commission addressed the needs of Member States, but with some shortfalls in coordination and evaluation**

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<th>Policy Area</th>
<th>Security</th>
<th>European Social Fund (ESF)</th>
<th>Education</th>
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<tr>
<td><strong>Report No / Date / Title</strong></td>
<td>Special report No 13/2018 of 29 May 2018: Tackling radicalisation that leads to terrorism: the Commission addressed the needs of Member States, but with some shortfalls in coordination and evaluation</td>
<td>Summary</td>
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<tr>
<td><strong>Questions asked:</strong></td>
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<td>The overall audit question was whether the Commission had appropriately managed its support for Member States in addressing radicalisation leading to terrorism.</td>
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<td>It was broken down into the following sub-questions:</td>
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<td>1. Does the Commission provide Member States with relevant support</td>
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<td>2. Are the actions financed by the different EU funds coordinated to make the most of any synergies?</td>
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<td>3. Has the Commission put in place a framework to assess the effectiveness and value for money of its support?</td>
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<td>The focus was mainly on the period from 2014 onwards, to coincide with the start of the 2014-2020 funding periods for the Commission’s funds and programmes.</td>
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<td><strong>Findings:</strong></td>
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<tr>
<td>1. Support is relevant and well designed</td>
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<td>2. The Commission addressed the needs of Member States, with few exceptions</td>
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<td>3. Support is designed to bring benefits to Member States from acting at European level</td>
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<td>4. The Commission fosters synergies, but coordination could be improved</td>
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5. There are some coordination shortfalls
6. The Radicalisation Awareness Network (RAN) is not used to its full potential
7. The Commission’s framework for assessing results is insufficiently developed
8. The Commission does not evaluate its overall success in achieving policy goals
9. The Commission cannot demonstrate how effective its individual actions actually are

Recommendations:
The European Commission should:

1. Improve the framework for overall coordination of EU-funded actions to support Member States in addressing radicalisation by:
   a) including the major EU-funded actions managed by Member States in the list of EU-funded radicalisation actions. The Commission should regularly update this list with a view to maximising synergies especially where different funds and tools intersect. The list should be available to project applicants;
   b) making the most of potential synergies between Commission actions by formalising the requirement to use the Radicalisation Awareness Network (RAN) to disseminate the results of successful EU-funded projects

2. Increase practical support to practitioners and policymakers in Member States by:
   a) improving communication from practitioners to policymakers through a regular and structured exchange of approaches and ideas;
   b) analysing participation by Member States’ practitioners in the RAN, with a particular focus on whether less active countries should be more involved;
   c) analysing the involvement of practitioners within the RAN ensuring that different types of stakeholders are adequately represented, including networks of organisations on the ground, without links with government, in order to enhance the bottom-up approach;
   d) supporting managers of counter-radicalisation projects in assessing the effectiveness and transferability of practices, and increase the relevance of the RAN Collection by including more information on the effectiveness of practices and the context in which they can be transferred;
   e) including in the RAN Collection a clear explanation of how actions are financed with EU funds.
3. The Commission should evaluate its success in achieving its policy goals and ensure that EU-funded actions can provide evidence of how effective they actually are. In particular the Commission should:

- **a)** carry out the necessary consultation and research in order to identify objectives and indicators for evaluating its success and value for money in achieving its policy goals in helping Member States to address radicalisation. It should then report regularly on the overall progress made towards achieving the objectives of its counter-radicalisation policy, including the EU funds involved;
- **b)** request the RAN Centre of Excellence to provide more detailed reports on its effectiveness, e.g. participant satisfaction, the knowledge and contacts acquired, how these were used, and their impact on the job or on the organisation’s results;
- **c)** oversee through the EU Internet Forum:
  - cooperation between the EU IRU and national IRUs in ensuring complementarity and avoiding unnecessary duplication in referring terrorist content to IT companies;
  - the extent to which removing terrorist propaganda has an impact on its prevalence on the internet;
  - the speed of removal of content referred by the EU IRU;
- **d)** ensure project applicants demonstrate how they will measure the effectiveness of their projects.

**CONT Committee Working Document; Rapporteur**

**CONT Working Document of 18/06/2018** on ECA Special Report 13/2018 (Discharge 2017): Tackling radicalisation that leads to terrorism: the Commission addressed the needs of Member States, but with some shortfalls in coordination and evaluation

Rapporteur: Dennis de Jong (GUE/NGL)

[Recommendations by the rapporteur, ]

1. Welcomes the Court's Special Report on Tackling radicalisation that leads to terrorism, endorses its recommendations and sets out its observations and recommendations below;
2. Calls on the Commission to examine how the management of the actions addressing radicalisation can be simplified, for example by reducing the number of funds on which these actions rely, or by concentrating management which is currently done by eight of its directorates-general, as well as by Europol, Eurojust and Member States, with a view to improve coordination and efficiency;
3. Recognises that performance based budgeting may be a particular challenge in the case of actions aimed at preventing radicalisation, but emphasises that indicators related to, for example, the number of experts participating in meetings, are not sufficient in themselves to measure performance; calls upon the Commission to examine, in particular, why participation levels in its activities vary considerably between Member States and to concentrate on those activities that are relevant for most Member States;
4. Calls on the Commission to keep Parliament informed about the follow up on the interim report of the HLCEG-R, where it concerns the discussions with Member States on how to better evaluate relevant programmes and interventions;
5. Recognises that preventing radicalisation often requires in-depth knowledge of the situation at local, i.e. neighbourhood levels, and that this type of information cannot be generalised, as each neighbourhood may have its own challenges and opportunities; points in this regard to the important role of local educational institutions, local social and charitable organisations and local authorities, including police officers assigned to a specific neighbourhood; calls on the Commission and Member States to bear this in mind, when exchanging best practices and to avoid stereotyping or generalisations;
6. Emphasises that the efficiency and effectiveness of the Commission’s activities with respect to helping Member States in preventing radicalisation are likely to be highest, when they are referring to cross-border cases, in particular, when it concerns information provided through the Internet; supports the de-confliction procedure of the EU IRU and the decision to focus the EU IRU on online propaganda which terrorists use to attract as many followers as possible; calls upon the Commission to improve its methods for measuring the effectiveness of the EU IRU by examining how much terrorist content has been removed by internet companies at EU IRU’s request alone, without also having been flagged by national IRUs, civil society or the internet companies themselves, as well as by developing methods to demonstrate effectiveness in terms of the amount of terrorist propaganda that remains available on the internet, for example because the removed propaganda is simply re-uploaded or moved to other platforms.

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<th>Related EP Reports / Resolutions of other committees</th>
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<tr>
<td><strong>European Parliament resolution of 12 December 2018</strong> on findings and recommendations of the Special Committee on Terrorism (2018/2044(INI))</td>
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28. Calls for the creation of an EU ‘Centre of Excellence for Preventing Radicalisation’ (CoE PR), as a successor to the RAN, to be embedded in the Commission with adequate financial and human resources; believes its tasks should include coordination, facilitation of cooperation and exchange of knowledge, lighthouse projects and good practices among Member States, policymakers, practitioners (by involving former RAN and ESCN structures), as well as engagement with religious leaders or communities and academics and experts, including IT specialists, in the area of preventing and countering radicalisation; points out that its activities should include the training of different categories of professionals, including judges and prosecutors, also by partnering with key strategic third countries; considers that this centre should also establish scientific methodologies to evaluate and measure the effectiveness of programmes and projects, so that the relevant policies can be adjusted if necessary;

29. Notes that the European Court of Auditors’ report of 2018 on deradicalisation found that the Commission does not maintain a complete overview of EU-funded measures, and that no indicators or targets for EU funds are used to measure to what extent the approach is successful; calls on the Commission to ensure that sufficient funding under the Internal Security Fund is earmarked for preventing and countering radicalisation, which
would streamline resources currently fragmented across different funds and programmes and allow for better coordination and visibility as well as higher effectiveness of their use on the basis of criteria which could be developed by the CoE PR;

30. Urges the Member States to adopt comprehensive national and regional strategies for preventing and countering radicalisation, with adequate financial resources for communities and partners at local level involved in the creation and implementation of programmes based on these strategies, and calls for a multi-agency approach; stresses that the best results are achieved in partnership with local communities; stresses further that objective qualitative and quantitative indicators which could be developed by CoE PR would enable local and regional authorities to map out the local specificities of radicalisation and better tailor programmes to the specific area;

31. Calls on the Member States to address radicalisation holistically, also in collaboration with local administrations, and to complement security approaches by strategies on social inclusion, economic and cultural integration and by long-term policies and investments in public services and infrastructure; exhorts both the Commission and the Member States to promote anti-discrimination campaigns;

32. Highlights the importance of conducting specific research into the role of women within targeted regions, countries and communities to understand their role and identify areas where women’s organisations could contribute to building greater resilience to radicalisation;

33. Calls for the creation of a European Resilience Prize, which would be awarded every year by the European Parliament, and possibly in close consultation with the CoE PR, to the best social and cultural project at local level in the EU, thus promoting social engagement, in full accordance with democracy, rule of law and human rights and with the aim of building societies that are resilient against radicalisation;

34. Calls on Eurojust to continue its work in monitoring the jurisprudence in Member States as regards radicalisation leading to terrorism, including the use of alternatives to prosecution and detention, and to report regularly in its Terrorism Conviction Monitor (TCM); calls on the Member States, to this end, to transmit to Eurojust all relevant information on prosecutions and convictions for terrorist offences which affect or may affect two or more Member States;

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**European Parliament resolution of 1 March 2018 on the situation of fundamental rights in the EU in 2016 (2017/2125(INI))**

(The European Parliament, )

36. Recommends that security approaches to tackle all forms of radicalisation and terrorism in Europe be complemented, notably in the judicial sphere, by long-term policies to prevent radicalisation and recruitment of EU citizens by violent extremist organisations;

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having regard to its resolution of 25 November 2015 on the prevention of radicalisation and recruitment of European citizens by terrorist organisations

18. Emphasises that the EU and European citizens are a major target for ISIL/Daesh and calls for the EU and its Member States to work more closely to protect society, in particular young people, from recruitment, thus enhancing their resilience against radicalisation; emphasises the need for more enhanced focus on improving EU tools and methods, mostly in the cyber area; encourages each Member State, working closely with the Radicalisation Awareness Network Centre of Excellence established in October 2015, to investigate and effectively address the underlying socio-demographic reasons that are at the root cause of vulnerability to radicalisation as well as institutional multi-dimensional arrangements (linking university research, prison administrations, the police, the courts, social services and education systems) to combat it; underlines that the Council has called for the promotion of criminal justice response measures to counter radicalisation leading to terrorism and violent extremism;

55. Stresses its support for initiatives such as the Baltic Centre for Media Excellence in Riga, NATO Strategic Communications Centre of Excellence (NATO StratCom COE) or the Radicalisation Awareness Network Centre of Excellence; underlines the need for utilising their findings and analysis and strengthening EU analytical capabilities at all levels; calls for the Commission and the Member States to initiate similar projects, engage in the training of journalists, support independent media hubs and media diversity, encourage networking and cooperation between media and think tanks and exchange best practices and information in these areas;

******

**European Parliament resolution of 23 November 2016** on EU strategic communication to counteract propaganda against it by third parties (2016/2030(INI))

[The European Parliament,]

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**European Parliament resolution of 25 November 2015** on the prevention of radicalisation and recruitment of European citizens by terrorist organisations (2015/2063(INI))

[The European Parliament,]

– having regard to the Commission communication of 22 November 2010 entitled ‘The EU Internal Security Strategy in Action: Five steps towards a more secure Europe’ (COM(2010)0673) and creating the European Radicalisation Awareness Network (RAN),

– having regard to the Commission communication of 15 January 2014 entitled ‘Preventing radicalisation to terrorism and violent extremism: Strengthening the EU’s Response’ (COM(2013)0941),
– having regard to the Revised EU Strategy for Combating Radicalisation and Recruitment to Terrorism, adopted by the Justice and Home Affairs Council at its meeting on 19 May 2014 and approved by the Council at its meeting of 5 and 6 June 2014 (9956/14),

M. whereas combating terrorism and preventing the radicalisation and recruitment of European citizens by terrorist organisations still falls essentially within the sphere of competence of the Member States, but European cooperation is essential for the efficient and effective exchange of information between law enforcement agencies in order to combat the cross-border nature of the threat posed by terrorists; whereas a concerted European approach is thus necessary and will provide added value in terms of coordinating or harmonising where appropriate the legislation applying in an area in which European citizens are free to move, and of making prevention and counterterrorism effective; whereas combating trafficking in firearms should be a priority for the EU in fighting serious and organised international crime;

Q. whereas a number of instruments already exist in Europe to address the radicalisation of European citizens and whereas the EU and its Member States should make full use of these tools and look to enhancing them in order to reflect the current challenges the EU and Member States face; whereas there remains a reluctance on the part of Member States to cooperate in sensitive areas, such as information and intelligence sharing; whereas, given the increasing significance of terrorist radicalisation, which is in total contradiction with European values, new means must be implemented, and this must take place in compliance with the Charter of Fundamental Rights;

T. whereas concerted European action is required as a matter of urgency to prevent the radicalisation and recruitment of European citizens by terrorist organisations in order to contain this growing phenomenon and thus stem the flow of departures by European citizens to conflict zones, deradicalise the home-stayers, and prevent other terrorist acts from being committed;

7. Considers that the additional protocol to the Council of Europe Convention on the Prevention of Terrorism, as well as resolution 2178 of the UN Security Council, should be made use of by the Member States and the European institutions with a view to agreeing on a common definition for the criminalisation of persons to be considered as ‘foreign fighters’; calls on the Commission to carry out in-depth studies of the primary causes, the process, and the various influences and factors which lead to radicalisation with the support of the new Centre of Excellence of the Radicalisation Awareness Network (RAN);

8. Calls on the Commission to prepare, in close cooperation with Europol and the counterterrorism coordinator, an annual report on the state of security in Europe, including with regard to the risks of radicalisation and the consequences for the safety of people’s lives and physical integrity in the EU, and to report back to Parliament on an annual basis;

9. Stresses the importance of making the fullest use of existing instruments to prevent and combat the radicalisation and recruitment of European citizens by terrorist organisations; highlights the importance of using all relevant internal and external instruments in a holistic and comprehensive manner; recommends that the Commission and the Member States make use of available means, particularly under the Internal Security Fund (ISF), via the ISF Police instrument, in order to support projects and measures aimed at preventing radicalisation; stresses the major role which can be
played by the RAN and its Centre of Excellence in taking on this objective of counteracting the radicalisation of European citizens in a comprehensive way; requests that this network receive better publicity and visibility among players combating radicalisation;

43. Calls on the Commission to enhance the EU’s expertise regarding the prevention of radicalisation by establishing a European network that incorporates the information provided by RAN and by the Policy Planner’s Network on Polarisation and Radicalisation (PPN), as well as that provided by experts specialised in a wide array of disciplines across the social sciences;

47. Stresses that improved cooperation between Member States aimed at countering the radicalisation and recruitment of European citizens is also characterised by intensive exchanges and cooperation between their judicial authorities and with Eurojust; notes that better reporting at European level on the criminal records of terrorist suspects would help speed up their detection and make it easier for them to be properly monitored, either when they leave or when they return to the EU; encourages, therefore, the reform and better use of the European Criminal Records Information System (ECRIS); urges the Commission to assess the feasibility and added value of establishing a European Police Records Index System (EPRIS); underlines that international treaties and the EU law, as well as fundamental rights, and in particular the protection of personal data, must be respected in such information exchanges and that effective democratic oversight of security measures is essential;

72. Considers that a comprehensive policy to preventing the radicalisation and recruitment of EU citizens by terrorist organisations can only be successfully put in place if accompanied by proactive deradicalisation and inclusion policies; calls for the EU, therefore, to facilitate the sharing by Member States and with third countries which have already acquired experience and achieved positive results in this area of good practice on the setting-up of deradicalisation structures to prevent EU citizens and non-EU nationals legally residing in the EU from leaving the EU or to control their return to it; recalls the need to offer support to the families of such individuals as well;

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(38. Believes that a comprehensive policy to prevent the radicalisation and recruitment of citizens of the Union by terrorist organisations can be successful if accompanied by long-term and proactive de-radicalisation processes in the judicial sphere, by education and integration measures and by intercultural dialogue; stresses the need to develop strategies on social inclusion and integration that also tackle discrimination that hinders access to education, employment and housing;
39. Calls on the Commission to support the Member States in their efforts to prevent radicalisation and violent extremism, which must centre on promoting European values, tolerance and community, without stigmatisation, and calls as well on the Member States to step up their efforts in this regard;

40. Considers a consistent application of anti-discrimination legislation as part of a strategy to prevent radicalisation and to enable the deradicalisation of those belonging to extremist organisations; recalls that exclusion and discrimination against religious communities in the European Union could create a fertile ground for individuals in vulnerable situations to join extremist organisations that can be violent;

41. Believes that a European early warning and response system should be strengthened to identify individuals that are at high risk of radicalisation; calls on the EU and the Member States to make greater efforts, through education, to prevent radicalisation; encourages the Member States to promote on-line initiatives with a view to combating the ideas and activities of radical groups, and to incorporate this dimension into lessons on online risk prevention in schools; calls on the EU and the Member States to make greater efforts to assist the families of those who are at risk; calls for best practices to be exchanged and narratives to be built to combat the ideas and activities of radical groups, and to incorporate this dimension into lessons on online risk prevention in schools; calls on the EU and the Member States to make greater efforts to assist the families of those who are at risk; calls for best practices to be exchanged and narratives to be built to combat violent extremism, radicalisation and discourse encouraging people to organise and perpetrate terrorist attacks in Europe; stresses that closer cross-border cooperation among competent national and European authorities is needed with a view to improving information exchanges in order to fight terrorist networks more efficiently; urges the Member States to use existing instruments of cooperation to the full extent possible; calls on the EU and the Member States to exchange best practices as regards preventing the radicalisation of people at risk, in particular in prisons;

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[The European Parliament, ]

38. Agrees that the prevention of radicalisation should be a priority for the EU; regrets the lack of more concrete measures in the Agenda to address radicalisation in Europe and calls on the Commission to take urgent and comprehensive action to intensify measures aimed at preventing radicalisation and violent extremism, preventing the spread of extremist ideologies and fostering integration and inclusiveness; calls on the Commission to strengthen the Radicalisation Awareness Network (RAN), which brings together all relevant actors involved in initiatives to address radicalisation at grassroots level, and to clarify the mandate, tasks and scope of the new proposed RAN Centre of Excellence; recommends that its structure also include local and national decision-makers, so as to ensure practical implementation of the recommendations developed by experts and stakeholders; calls for bolder measures to tackle radicalisation on the Internet and the use of Internet websites or social media to spread radical ideologies in Europe; welcomes the creation of an Internet Referral Unit at Europol to support Member States in identifying and removing violent extremist content online with the cooperation of the industry, and calls on the Commission to provide the additional resources necessary for its
functioning; regrets the lack of concrete measures to strengthen the role of the Internet as an awareness-raising tool against radicalisation, and in particular to disseminate counter-narratives online in a proactive manner so as to counter terrorist propaganda;

39. Points out that a successful security policy has to address the underlying factors of extremism, such as radicalisation, intolerance and discrimination, by promoting political and religious tolerance, developing social cohesion and inclusiveness and facilitating reintegration;

40. Believes that extensive research and concrete measures should be developed, with the financial and operational support of the Commission, so as to promote and share with all European citizens, through effective channels of communication, our common values of tolerance, pluralism, respect for freedom of speech and conscience, and our fundamental rights in general; considers that the Agenda should also underline the need to fight misconceptions about religions, in particular Islam, which do not as such play a role in radicalisation and terrorism;

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[The European Parliament,]

10. Points out the risks linked with increasing radicalisation, violence, bullying and behavioural problems starting at the primary level; calls on the Commission to conduct research at EU level and present an overview of the situation in all Member States, indicating their response to such trends and whether or how Member States have included ethical, personal and social education in their curricula as an instrument that has so far proved to be successful in many schools, including support for teachers with regards to those horizontal skills; encourages the Member States to share best practices in this area;

15. Stresses that school-parent communication strategies, character education and other personal development programmes implemented in learning settings in cooperation with families and other relevant social partners can contribute to upward social convergence, promotion of active citizenship and European values as enshrined in the Treaties, and the prevention of radicalisation; underlines that a supportive home environment is crucial in shaping children’s proficiency in basic skills, and points to the value of courses for parents which can prove effective in countering educational poverty;

64. Calls for the creation of differentiated synergies between the ET 2020 Working Groups and networks such as the Radicalisation Awareness Network (RAN) Working Group on Education;

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European Parliament resolution of 11 February 2015 on anti-terrorism measures (2015/2530(RSP))

[The European Parliament,]

5. Stresses that addressing the threat posed by terrorism in general requires an anti-terrorism strategy based on a multi-layer approach, which comprehensively addresses the underlying factors of radicalisation leading to violent extremism, such as developing social cohesion, inclusiveness and political and religious tolerance, and avoiding ghettoization, analysing and counterbalancing online incitement to perform terrorist acts, preventing departures to join terrorist organisations, preventing and stemming recruitment and engagement in armed conflicts, disrupting financial support to terrorist organisations and individuals aiming to join them, ensuring firm legal prosecution where appropriate and providing law enforcement authorities with the appropriate tools to perform their duties with full respect for fundamental rights;

7. Points with grave concern to the phenomenon of radicalisation in prisons, and encourages the Member States to exchange best practices on the matter; asks that special attention be given to prisons and detention conditions, with targeted measures to address radicalisation in this environment; calls on the Member States to do more to improve prisons’ administrative systems so as to facilitate detection of detainees who are involved in the preparation of terrorist acts, monitor and prevent radicalisation processes and set up specific programmes of disengagement, rehabilitation and deradicalisation;

8. Stresses the urgent need to intensify the prevention of radicalisation and foster deradicalisation programmes by empowering and engaging with communities and civil society at national and local level to stop the spread of extremist ideologies; calls on the Commission to strengthen the Radicalisation Awareness Network (RAN), which brings together all the actors involved in developing anti-radicalisation campaigns and setting up deradicalisation structures and processes for returning foreign fighters, and to directly challenge the extremist ideologies by providing positive alternatives;

9. Supports the adoption of a European strategy for countering terrorist propaganda, radical networks and online recruitment, building upon the efforts already made and the initiatives already taken on an intergovernmental and voluntary basis with a view to further exchanges of best practice and successful methods in this area;

10. Calls for the adoption of a Council recommendation on national strategies for the prevention of radicalisation, which would address the wide range of underlying factors behind radicalisation and make recommendations to the Member States on the setting-up of disengagement, rehabilitation and deradicalisation programmes;

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European Parliament resolution of 5 October 2017 on prison systems and conditions (2015/2062(INI))
W. whereas the Union has made funding available under the European Agenda on Security in order to tackle radicalisation in prisons; whereas, in view of the security context in Europe, each Member State should, as a matter of urgency, take measures to prevent radicalisation in prisons; whereas the exchange of good practices at European level is crucial;

49. Encourages Member States to exchange best practices with the aim of preventing and combating radicalisation in prisons and in detention centres for minors; recalls that under the European Agenda on Security the EU has made funding available to support training for prison staff with the aim of countering radicalisation in prisons; calls on the Member States to make full use of the Radicalisation Awareness Network (RAN) Centre of Excellence, and specifically to further share expertise through the Prison and Probation Working Group therein;

66. Encourages the Member States to share best practices regarding education, rehabilitation and reintegration programmes, particularly in order to improve reintegration after leaving prison and to help prevent recidivism and further radicalisation;

68. Calls on the Commission to publish detailed reports on the situation of prisons in Europe at five-year intervals, following on from the adoption of the present resolution, including in-depth analysis of the quality of the education and training provided to inmates, and assessment of the results (including reoffending rates) of alternative measures to detention;

In July 2017, the Commission set up a high-level expert group on radicalisation to step up efforts to prevent and counteract radicalisation and improve coordination and cooperation between the relevant stakeholders, building on all the progress that has been made so far.

According to the evaluation report published recently by the Directorate-General for Migration and Home Affairs on the EU’s counter-terrorism measures, deradicalisation is one area in which the EU should improve.

1. Will the expert group be focusing on this area too?
2. Can the Commission give more detail about the objectives and composition of the group?
On 14 June 2016, the Commission brought forward a proposal for stronger EU action to tackle the radicalisation that is leading to violence and terrorism. Measures were outlined for the various areas in which cooperation at EU level can bring added value. One of these provides for promoting research and gathering evidence through various networks with the aim of developing specific instruments to prevent and combat radicalisation, based on in-depth analyses of the process. A key role in this respect is to be played by the Radicalisation Awareness Network. Can the Commission state, in this connection:

1. Whether it is planning more concrete initiatives to improve cooperation between the Radicalisation Awareness Network and the Member State institutions responsible for policies to combat radicalisation and, if so, what these are?
2. Whether it intends to harness the experience of the Radicalisation Awareness Network to create a common European training module for experts in the prevention and combating of radicalisation?

Related:

**Tackling Islamist radicalisation**, E-000672/2015, Question for written answer to the Commission, Rule 130, Philippe Juvin (EPP), 19-01-2015

**Cooperation and exchange of information in the fight against terrorism and radicalisation**, E-002342/2016, Question for written answer to the Commission, Rule 130, Beatriz Becerra Basterrechea (ALDE), 18-03-2016

As Europe faces an ever-growing threat to its security, additional measures to protect European citizens are currently being implemented. Last June the EU issued its strategy on radicalisation. The response contained key action proposals in seven specific areas: data collection, the fight against online terrorist propaganda, radicalisation in prisons, prevention through education, social inclusion, the security dimension and the international dimension.

1. Does the Commission plan on taking specific measures to tackle radicalisation among unemployed young people, and young people in prisons?
2. With regard to unemployed young people, is the Commission looking into the possibility of also using the Youth Guarantee to tackle this growing phenomenon?
3. Does the EU have any further plans to combat radicalisation through cross-border coordination between youth agencies and youth workers and the setting up of prevention strategies at different levels in the Member States?

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**Preventing radicalisation in prisons**, E-001238/2016, Question for written answer to the Commission, Rule 130, Rachida Dati (EPP), 11-02-2016

November 2015, Parliament voted overwhelmingly in favour of my report on preventing the radicalisation and recruitment of EU citizens by terrorist organisations.

The report outlines recommendations for an action plan on preventing the radicalisation of EU citizens. The EU needs to take steps to counter the rapid spread of radicalisation in Europe.

Preventing radicalisation and violent extremism in prisons is a key focus of the report, since prisons are a breeding ground for violent and extremist ideologies.

1. What guidelines for tackling radicalisation and violent extremism in European prisons will the Commission propose to the Member States?

2. Will it make funds available for experimental anti-radicalisation projects in European prisons and training programmes for European prison staff?

Related:

**Call for projects to tackle radicalisation in prison**, E-008750/2016, Question for written answer to the Commission, Rule 130, Rachida Dati (EPP), 23-11-2016

**Cooperation with Europris to prevent radicalisation in prisons**, E-008040/2016, Question for written answer to the Commission, Rule 130, Rachida Dati (EPP), 26-10-2016

**Combating radicalisation in prisons**, Question for written answer to the Commission, Rule 130, Rachida Dati (PPE), 17-06-2015

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**Tackling home-grown radicalisation in the EU**, E-000785/2018, Question for written answer to the Commission, Rule 130, Andrejs Mamikins (S&D), 07-02-2018

After the terrorist attack in Brussels on 22 March 2016, all of the attacks that have taken place since have been examples of home-grown terrorism, i.e. they have been committed by people who did not receive military training in Islamic State zones. While these attacks have proven to be low-tech, they have had a hugely detrimental impact on security in many European countries.

1. What efforts can the Commission undertake to prevent radicalisation and to foster de-radicalisation, through education and labour initiatives and by working with vulnerable individuals?
2. What measures does the EU apply in order to oversee Member States’ progress in this field?

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**Prevention of radicalisation - Erasmus+ Virtual Exchanges**, E-002769/2017, Question for written answer to the Commission, Rule 130, Jean Lambert (Verts/ALE), Maite Pagazaurtundúa Ruiz (ALDE), 18-04-2017

On 14 June 2016, the Commission adopted a communication entitled ‘Supporting the prevention of radicalisation leading to violent extremism’ (COM(2016)0379). In the communication, seven specific areas in which European initiatives could have an added value were highlighted.

One of these was ‘promoting an inclusive, open and resilient society and reaching out to young people’. In this area, the Commission announced a new initiative called ‘Erasmus+ Virtual Exchanges’, aiming at connecting students and other young people from the EU and third countries.

Via moderated virtual exchanges, this initiative would help young people to develop mutual understanding and respect and also to improve intercultural skills and cross-cultural awareness, understanding and cooperation. A feasibility project was scheduled to be launched to promote online engagement of young people with the aim of reaching 200 000 young people by 2019. This is a very important initiative.

1. Could the Commission indicate whether the feasibility project for this important initiative has already been finalised and what its conclusions were?— Could the Commission indicate when the new initiative ‘Erasmus+ Virtual Exchanges’ will be operational in order to indeed reach 200 000 young people in 2019?

Related:

**Erasmus+ programme to fight Islamic radicalisation in schools**, answer E-005313/2016, Question for written to the Commission, Rule 130, Victor Negrescu (S&D), 30-06-2016

**Combating radicalisation and upholding human rights**, E-009206/2016, Question for written answer to the Commission, Rule 130, Andi Cristea
On 5 July 2018, the Special Committee on Terrorism submitted a draft report setting out its ‘findings and recommendations’ (2018/2044 (INI)).

The report, although still a draft, stresses the need ‘to develop and fund a network of European religious scholars that can spread — and testify to — practices of Islam that are compliant with EU values’. (1)

It also rightly states on several occasions that we must combat radicalisation.

What is more, the European Court of Auditor’s report of 2018 on deradicalisation found that the Commission does not maintain a complete overview of EU-funded measures, and that no indicators or targets for EU funds are used to measure to what extent the approach is successful. In light of this, could the Commission answer the following questions:

1. At what point can we consider that a person has been de-radicalised?
2. Are there any European or national laws that specify who is empowered to determine that a person is no longer radicalised (doctor, psychiatrist, judge)?
3. Does the Commission have any statistics on the effectiveness of de-radicalisation and has it studied targeted disengagement? (3)

Dialogue About Radicalisation and Equality (DARE) project receives EUR 5 million from the Commission for so-called research into de-radicalisation, E-002921/2018, Question for written answer to the Commission, Rule 130, Dominique Martin (ENF), 30-05-2018

Michael Privot, a Belgian who has converted to Islam and runs the European Network Against Racism (ENAR), is one of the people involved in the DARE project. In 2015, he said ‘you can be a fundamentalist and a democrat’. On 25 April 2018, his association called on the European Parliament to...
prevent France and other countries from banning Islamic dress (burka, etc.). According to his own declarations, in 2016 his association received EUR 900,000 in EU subsidies for nine employees.

Since May 2017, the Commission has been funding one of his pseudo-research projects on radicalisation and inequality. On 27 April 2018, Michael Privot urged the European Parliament and the Commission temporarily to halt all counter-terrorism initiatives.

The Commission spends EUR 77 billion in European taxpayers’ money funding research projects (2014-2020), EUR 20 million of which will again be allocated, at the end of August 2018 and August 2019, to measures to tackle radicalisation.

1. What steps will the Commission take to ensure that European taxpayers’ money does not go to support fundamentalists?

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EU funding to combat and prevent Islamist radicalisation, E-002771/2016, Question for written answer to the Commission, Rule 130, Salvatore Domenico Pogliese (EPP), 06-04-2016

Two of the priorities in the fight to stamp out Islamist terrorism are the prevention of radicalisation and the issue of foreign fighters. In an effort to help Member States achieve this goal, the EU has set up an Internal Security Fund (ISF) to finance police activities intended to prevent and prepare for terrorist attacks and deal with the impact of terrorism and other security-related risks.

The ISF has been allocated a budget of EUR 3.8 billion for the period 2014-2020. Despite the tragic attacks in Paris and Brussels and the guidelines issued by the Heads of State and Government, however, more funding has been allocated to other ISF priorities than to measures to prevent radicalisation.

1. Does the Commission intend to review the amounts set aside for each ISF priority and increase the funding available for the prevention of Islamist radicalisation?

In the light of the final accounts for the period 2014-2015, can it assess the effectiveness of the projects supported by the ISF and outline the results achieved?
Special report 14/2018 of 19 June 2018

The EU Chemical, Biological, Radiological and Nuclear Centres of Excellence: more progress needed

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<th>Policy Area</th>
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<td>Report No / Date / Title</td>
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**Summary**

**Questions asked:**

Has the Centres of Excellence Initiative contributed significantly to mitigating chemical, biological, radiological and nuclear (CBRN) risks from outside the EU?

It was broken down into the following sub-questions:

1. Have the Commission and the EEAS adopted an adequate risk management approach?
2. Has the Initiative been satisfactorily developed in partner countries?
3. Have effective monitoring and evaluation systems been established to identify, assess and report on the Centres of Excellence Initiative’s results?

**Findings:**

1. The Initiative is the EU’s largest civilian external security programme. Overall, the Court concluded that the Initiative has contributed to mitigating CBRN threats, but that many challenges remain.

The Commission and the European External Action Service (EEAS) have fully implemented three out of six of the recommendations, contained in the Court’s special report 17/2014, and partially implemented two of them:

- partner countries are now more involved in the initiation and implementation of projects,
• the organization at regional level has been strengthened and cooperation between decision makers and implementing bodies has improved;
• while some progress has been made, the role of the EU delegations and the speed of project implementation are still not satisfactory and, in addition
• the Court’s earlier recommendation, which proposed to concentrate EU funding in the areas most relevant to EU security and was accepted by the Commission, has not been implemented.

2. The Court regretted that an adequate risk management approach to the activities of the Initiative has not yet been developed for the Initiative as a whole, at the project selection stage and for the identification of partner countries’ needs.

3. When the Commission provides partner countries with tools and a methodology to help them assess their own needs and develop national action plans to mitigate CBRN risks, not sufficient guidance is given as to how risks should be identified and prioritised. Despite this drawback, the needs assessment questionnaire and national action plan are still key elements that underpin the Initiative. However, the Commission cannot respond quickly enough to meet all partner countries’ requests for assistance in identifying and prioritising their needs; and this risk to seriously delay the preparation of both the questionnaires and the action plans.

4. Whereas the Commission and the European External Action Service (EEAS) accepted most recommendations, they disagree with the Court’s comments in relation to the nonimplementation of the recommendation to concentrate EU funding in areas most relevant for EU security. They underlined that the Initiative should be seen as a long-term effort to build effective regional CBRN risk mitigation capacities. The Commission was also of the opinion that the assessment of whether the present recommendation should be considered fulfilled or not should be based on a more complex and composite definition of “areas most relevant to EU Security”, taking into account the nature and scope of CBRN risks and threats, as well as the fundamental features of the CBRN Centres of Excellence Initiative.

Recommendations:

The European Commission and the EEAS should:

1. prioritise activities on the basis of a systemic risk assessment;
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<tr>
<th>CONT Committee Working Document; Rapporteur</th>
<th>CONT Working Document of 18/10/2018 on ECA Special Report 14/2018 (Discharge2017): The EU Chemical, Biological, Radiological and Nuclear Centres of Excellence: more progress needed</th>
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<td>2. strengthen the Initiative’s regional dimension; 3. further strengthen the EU delegations’ role in the Initiative; 4. identify potential synergies and other available funding sources; 5. increase accountability and visibility of activities and results through improved monitoring and evaluation; 6. overhaul the web-based portal to allow easy access to all the information concerning the Initiative’s activities.</td>
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<td>The rapporteur, Zigmantas Balčytis (S&amp;D), recommends adopting the Court’s recommendations. 1. Welcomes the Court’s special report and notes with satisfaction that the Court, the Commission and the EEAS agree on most of the recommendations; 2. Calls on the Commission and the EEAS carry out a joint EU analysis identifying external CBRN risks to the EU to comprehensively link internal and external action; 3. Calls on the Commission to embed systemic risk assessments into the needs assessment and national action plan methodologies and to respond quickly to all partner countries requesting assistance to finalise their needs assessment and national action plan exercises; Strengthening the Initiative’s regional dimension 4. Calls on the Commission to increase the number of regional activities, such as field and table-top exercises; Strengthening the EU delegations’ role in the Initiative 5. Calls on the Commission and the EEAS to assign CBRN responsibilities to designated focal points and/or to “Instrument contributing to Stability and Peace” (IcSP) longterm regional cooperation officers in all the EU delegations, and to include CBRN in the policy, security and political dialogue; 6. Calls on the DG DEVO of the Commission and the EEAS should to work together with other relevant Commission Directorates-General, in particular with DG NEAR, as well as with other donors in order to identify potential synergies and available funding sources which could be better used to support CBRN activities; 7. Calls on the Commission to translate the Initiative’s overall objective into more specific objectives that can be used at project level, enabling results to be measured from the project level up to the national, regional and Initiative-wide level;</td>
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8. Calls on the Commission to also define outcome and impact indicators allowing the Initiative’s effectiveness to be assessed against the set objectives; 
9. Calls on the Commission to ensure that all relevant information is available on its web-based portal with the appropriate levels of access authorisation; and to guarantee best practices and guidelines are accessible through the CBRN portal.

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<th>Related EP Reports / Resolutions of other committees</th>
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<td><strong>European Parliament resolution of 12 December 2018</strong> on findings and recommendations of the Special Committee on Terrorism (2018/2044(INI))</td>
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The European Parliament,

AE. whereas new forms of terrorism may be used for an attack, among them cyber-terrorism and the use of weapons of mass destruction, possibly in connection with new technical equipment such as drones; whereas there is the precedent of a foiled attack involving the highly toxic biological agent ricin; whereas there are cases where terrorist groups have used or planned to use chemical, biological, radiological or nuclear (CBRN) materials, and shared via social media channels possible tactics and methods for attacks and targets;

AF. whereas Member States have different strategies to respond to hybrid and CBRN-related threats and therefore different levels of preparedness;

AG. whereas the European Council on 28 June 2018 welcomed the Joint Communication on Europe’s resilience to hybrid and CBRN-related threats, seeking to identify areas where action should be intensified in order to further deepen and strengthen the EU’s essential contribution to addressing these threats, as well as urging Member States and the Commission to work together to fully implement the CBRN Action Plan as a matter of urgency;

16. Calls on the Commission to revise and update the CBRN Action Plan, and on the Member States to establish or strengthen and maintain appropriate ‘civil defence’ measures for preparedness against CBRN attacks by recruiting qualified and regularly trained personnel incorporating both full-time and voluntary staff, as well as appropriate technical infrastructure including response resources such as specialised mobile detection systems, stocks of essential medicines, care for victims, and the sharing of best practice; emphasises that these measures must be in line with a multidisciplinary strategy that contains methods of coordination, notification procedures, standard protocols, evacuation planning, public alarm systems and incident reporting; calls on the Commission and the Member States to gradually harmonise these strategies; calls on the Member States to create or strengthen specialised laboratories; asks the Commission in conjunction with Parliament to support relevant cross-border research activities; encourages enhanced cooperation with NATO’s Centre of Excellence on CBRN to ensure a transfer of best practices between emergency responders in EU and NATO member states;
19. Welcomes the Commission’s plan to strengthen EU CBRN preparedness and response through cross-sectoral exercises for law enforcement, civil protection health structures and, where relevant, borders and customs within the existing financial instruments and operational tools, in particular the Union’s Civil Protection Mechanism, CEPOL and the Internal Security Fund – Police;

22. Welcomes the creation within the ECTC of a knowledge hub on the topic of CBRN and related activities on explosives, which will operate alongside the European Nuclear Security Training Centre (EUSECTRA); calls for a standard procedure in which every Member State effectively shares information with the knowledge-gathering centre;

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European Parliament resolution of 29 April 2015 on the Court of Auditors’ special reports in the context of the 2013 Commission discharge (2014/2140(DEC))

Part XXIII - Special Report No 17/2014 of the Court of Auditors entitled “Can the EU’s Centres of Excellence initiative contribute effectively to mitigating chemical, biological, radiological and nuclear risks from outside the EU?”

The European Parliament,

260. Welcomes the chemical, biological, radiological and nuclear (CBRN) Centres of Excellence initiative; considers that its governance structure emphasises the network character of the initiative;

261. Welcomes the overall positive thrust of the Special Report No 17/2014 and the Court of Auditors’ recommendations which were all accepted by the Commission;

262. Notes that the initiative represents an innovative approach providing for networking, regional and international partnerships, consolidating, coordinating and optimising existing capabilities in terms of expertise, training, technical assistance or equipment;

263. Points to the fact that such structures are necessarily complex, therefore difficult to set up and run effectively;

264. Recalls that this initiative had EUR 100 million at its disposal for the period 2010-2013;

265. Is of the opinion that the prime value of this initiative is its bottom-up approach, building on the experience of the partner countries; considers that the Union delegations should be regularly informed and undertake to play a more active role in consultation with the respective partner country’s authorities;
266. Would like to point out at the same time that respecting partner countries’ “ownership” of projects should not prevent the Commission from making proposals which would benefit from a joint response (i.e. in fighting the outbreak of the Ebola epidemic);

267. Is convinced that projects should be selected in such a way as to allow for the limited amount available to be concentrated on areas most relevant to Union security; believes that in the project selection, Union institutions could usefully assume a clearing-house function;

268. Notes that the technical expertise of the regional secretariats should be enhanced in order to facilitate the identification of issues to be addressed through initiatives as well as to improve the preparation and implementation of individual projects;

269. Welcomes the fact that partner countries may propose projects at any moment since May 2013 which enhances the ability to react to developing threats;

270. Takes note that the delay between the project proposal and subsequent project approval and implementation should be further reduced;

271. Stresses that wider strategic cooperation is needed in order to improve coherence and coordination of various funding instruments in the area of security; stresses that enhanced coordination among relevant actors in the CBRN field would enhance the effectiveness of existing initiatives;

272. Is of the opinion that the initiative might benefit from a clearer distinction between the internal and external dimension of CBRN actions;

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Oral / Written Questions

**EU-wide CBRN security network, E-002922/2018, Question for written answer to the Commission, Rule 130, Rachida Dati (EPP), 30-05-2018**

Chemical, biological, radiological and nuclear (CBRN) weapons pose an extremely serious threat to the security of EU, which is particularly alarming because the EU appears to have done little or nothing to prepare for an attack involving the use of such weapons, possibly carried out by terrorist organisations, with what would undoubtedly be tragic consequences. On 18 October 2017, the Commission presented its ‘Action Plan to enhance preparedness against chemical, biological, radiological and nuclear security risks’.

One of the objectives of this action plan was the creation, by the summer of 2018, of an EU-wide network for improving CBRN security. This network would advise Member States and EU institutions on CBRN security and encourage exchanges of best practices between those involved, bringing together national CBRN organisations and cooperating closely with Europol.

1. Can the Commission say how much progress has been made on setting up this EU CBRN support network?
2. Can it provide more information about the network’s composition?
3. Can it say how exactly the network will cooperate with Europol?
The World Economic Forum published its latest annual Global Risks Report on 17 January 2018. The likelihood that weapons of mass destruction might be used has again increased compared with last year’s assessment.

International reports are providing more and more reasons to believe that threats from the deliberate use of chemical, biological, radiological and nuclear (CBRN) weapons are becoming more plausible. In October 2017, the Commission adopted an Action Plan to enhance preparedness against chemical, biological, radiological and nuclear security risks, in which it put forward a number of proposals designed to support Member States in better defending EU citizens against terrorist threats.

However, the level of risk awareness and therefore preparedness in the case of a CBRN incident differs greatly between the 28 Member States.

1. How will the EEAS engage with specialised multilateral organisations in the area of CBRN on sharing best practices in the field of capacity building in third countries?
2. Will the EEAS share CBRN capacity needs in Europe with interested external partners such as the USA?
**Special report 15/2018 of 14 June 2018**

**Strengthening the capacity of the internal security forces in Niger and Mali: only limited and slow progress**

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<td>- Did the EEAS plan and implement the European Union Capacity Building (EUCAP) Sahel Missions well?</td>
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<td>- Have the EUCAP Sahel Missions strengthened the capacity of the security forces in Niger and Mali?</td>
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The audit covered the two civilian Common Security and Defence Policy (CSDP) Missions set up by the EU to strengthen the capacity of the forces responsible for internal security in Niger and Mali. It covered the period from the Missions’ set-up and included visits to Niger and Mali in September 2017.

**Findings:**

1. **The EU’s response to the security forces’ capacity-building needs suffered from operational inefficiencies**
   
   a) The EEAS made use of the lessons learnt from EUCAP Sahel Niger when setting up EUCAP Sahel Mali  
   b) Insufficient pre-deployment training and support from EEAS headquarters led to delays  
   c) Commission rules and procedures not adapted to conditions in Niger and Mali  
   d) Lack of guidance from EEAS headquarters resulted in weak procedures  
   e) The EU member states did not provide enough staff to fill the posts available  
   f) Uncertain lifetime for the Missions made it difficult to plan an exit strategy
2. The EUCAP Sahel Missions strengthened the capacity of the security forces, but results were not sustainable

   a) Working in a challenging context, the Missions strengthened the capacity of the security forces, albeit slowly
   b) Both Missions addressed sustainability, but with little success
   c) The EEAS did not set appropriate indicators for monitoring the Missions’ results
   d) The monitoring and evaluation of the Missions’ activities were inadequate and not focused on impact
   e) Stakeholders and beneficiaries had a positive view of the Missions’ activities and of their coordination role

Recommendations:

1. Take measures to improve the operational efficiency of Missions.

   The EEAS should:
   • provide the Missions with practical guidance on operational procedures, standard templates that can be adapted to local circumstances, examples of best practice from earlier Missions and training;

   The Commission should:
   • move towards delegating the power to authorise purchases to the Head of Mission, subject to ex post checks by the Commission;

   The EEAS and the Commission should:
   • improve support to the Missions by providing equipment from the common warehouse and expanding the role of the Missions Support Platform.

2. Improve the occupancy rate of staff posts in the Missions

   The EEAS should find solutions that will allow Mission vacancies to be filled quickly and efficiently, for example proposing longer secondments to the Missions from the EU member states, using contract staff more widely and preparing general calls for contributions which can be used to draw up reserve lists of potential staff to speed up deployment when vacancies arise.

3. Set mandates and budgets to match operations and provide for an exit strategy
The EEAS should propose mandates for the Missions that allow them to meet their objectives, and define a clearer path towards an exit strategy.

The Commission should set budgetary periods that match operational necessities.

### 4. Increase focus on sustainability

The Missions should focus resources on making activities sustainable, by withdrawing, as appropriate, from successful activities as soon as feasible to encourage autonomy in the ISFs and avoid over-reliance, focusing instead on providing support and back-up, and by following up the use made of training given and equipment provided.

### 5. Improve indicators, monitoring and evaluation

The EEAS should:

- set RACER (Relevant, Acceptable, Credible, Easy and Robust) indicators that focus on quantified outputs and on outcomes of the Missions’ activities and that are linked to the relevance to the Missions’ mandates;
- set targeted benchmarks which can be set to demonstrate progress towards achieving objectives;
- provide guidance and training to the Missions on monitoring and evaluation;
- make external evaluations of the Missions and more comprehensive assessments of their impact.

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2. Stresses, first of all, the efforts made by all the relevant stakeholders in preparing and implementing these two EU missions and the staff deployed in the field to carry out lasting structural capacity-building for internal security institutions in Mali and Niger, in an extremely fraught geopolitical context that has become critical given the combination of existing threats;

3. Deplores the fact that mission personnel received no training prior to their deployment and no assistance in gaining familiarity with procedures and projects on the ground; takes the view that this lack of training manifestly caused delays in the implementation of operations;
4. Considers that the EEAS and the Commission should carry out constant monitoring of support functions to facilitate the rapid, effective and coherent deployment of CSDP missions, provide all staff with pre-deployment training on EU procedures and policies and develop comprehensive guidelines on operational tasks (assessment of needs, and planning and follow-up of tasks and reports); takes the view, too, that that lessons learned from previous CSDP missions should also be put in practice to improve the operational efficiency of missions and facilitate the transfer of knowledge and synergy effects between missions;

5. Deplores that fact that the safety of staff in Niger was jeopardised when they were obliged to lodge and work in hotels for six months without any dedicated security arrangements;

6. Stresses that a safe working environment is essential for the effective implementation of operations and the recruitment of skilled staff; urges the EEAS and the Commission to maintain a sufficient level of security-related expenditure in budgets for the missions to ensure their mandates are properly implemented;

7. Reiterates, further, the need to make effective use of all appropriate funding channels for future CSDP missions – namely the Instrument contributing to Stability and Peace, the European Development Fund, the EU Emergency Trust Fund for Africa and humanitarian aid – to ensure the achievement of the political objectives of the missions and sound financial management;

8. Encourages the EEAS to collaborate with the Member States to ensure that ongoing and future CSDP missions have sufficient staff to operate speedily at close to their maximum authorised capacity (or total number of posts available) and, if possible, for terms equal in duration with the mandate of missions;

9. Stresses that the lack of operational efficiency of these two missions has been a major hindrance to the smooth running of action by the EU; deplores the fact that it took 18 months before a legal entity was set up for the EUCAP Sahel Niger mission;

10. Considers that the Council and the Commission should ensure that future CSDP missions should be given legal personality and the budgets they require as soon as possible;

11. Calls on the EEAS and the Commission to pay particular attention to procurement procedures and human resources to ensure that they are responsive to the CSDP’s operational needs; notes that the implementation of operations has been hampered by cumbersome procurement procedures, and that this has caused sub-standard performance;
12. Notes the difficulties encountered in filling vacant posts; points out that 72% of posts were filled in Niger and 77% in Mali; urges the EEAS and the Commission to propose longer secondments of staff from Member States to missions, to make greater use of contract agents and to launch calls for contributions which can be used to draw up reserve lists of potential agents to expedite recruitment as soon as posts become vacant;

13. Encourages the EEAS, with a view to helping that CSDP missions yield lasting results, to ensure that operational planning for all mission activities takes account of sustainability aspects by systematically assessing local needs and the capacity for activities to have a lasting effect on the local area;

14. Urges the EEAS to step up monitoring of mission activities (training, advice or provision of equipment) by assessing regularly, using indicators, the results obtained and the degree of ownership of the national authorities concerned;

15. Invites the EEAS and the Commission to coordinate CSDP missions more effectively with other EU efforts at regional level (such as the integrated border management assistance mission in Libya (EUBAM Libya) and G5 Sahel), bilateral missions and international efforts with similar objectives; calls, to that end, for increased cooperation and coordination between the Union and its Member States by promoting synergies;

16. Asks the EEAS and the Commission to ensure that winding-up of CSDP missions and the liquidation of the corresponding assets take place under the best possible conditions; takes the view in this regard that the EEAS and the Commission should devise a common, comprehensive exit strategy clearly defining roles and responsibilities in the winding-up of CSDP missions, while minimising the risks inherent in this process;

17. Reiterates, more broadly, the need to improve cooperation between Member States in their foreign and security policies with a view to achieving economies of scale and keeping costs to a minimum; stresses that it is crucially important for the Member States to be able to respond decisively to the issues of shared security and management of migratory flows at a time when these challenges are clearly becoming greater and more acute than ever before.

Related EP Reports / Resolutions of other committees

**European Parliament resolution of 17 April 2018 on the implementation of the Development Cooperation Instrument, the Humanitarian Aid Instrument and the European Development Fund (2017/2258(INI))**

[The European Parliament,]

4. Notes that in their first years of implementation, the DCI and the EDF have enabled the EU to respond to new crises and needs thanks to the broad nature of the instruments’ objectives; notes, however, that a multiplication of crises and the emergence of new political priorities have put financial pressure on the DCI, the EDF and the HAI, have stretched these instruments to their limits and have led to the decision to set up new ad hoc mechanisms such as trust funds, which are surrounded by serious concerns, namely over transparency, democratic accountability and their
Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

disconnection from development objectives; recalls the recently adopted European Fund for Sustainable Development, which was created to provide further leverage capacity;

28. Notes that the EDF faced pressure to tackle an increasing number of political demands, such as security and migration, which are difficult to align with the EDF’s core values and the principles of the EU’s development and cooperation policy, namely poverty eradication;

39. Warns against abusive recourse to trust funds, which threatens the specificity of EU development cooperation policy; insists that they should be used only when their added value compared with other aid modalities is guaranteed, especially in emergency situations, and that their use should always be fully in line with aid effectiveness principles and development policy’s primary objective: poverty eradication; is concerned at the fact that contributions from Member States and other donors to trust funds have been below expectations, with negative consequences for their effectiveness; recalls the need for parliamentary scrutiny of these funds; is seriously worried about the findings of the EDF evaluation on the effectiveness of the EU Emergency Trust Fund for Africa;

40. Recalls that the Commission should ensure transparency when trust funds are used, inter alia by providing Parliament with regular information updates and ensuring its proper involvement in relevant governance structures, in accordance with the applicable EU legislation; recalls, moreover, that trust funds must apply the full range of development effectiveness principles, should be consistent with long-term development priorities, principles and values, national and EU country strategies and other relevant instruments and programmes, and that a monitoring report assessing this alignment should be published biannually; reiterates that, to that end, the aim of the EU Emergency Trust Fund for Africa is to address the root causes of migration by promoting resilience, economic opportunities, equal opportunities, security and development.

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[The European Parliament, ]

3. Considers that Europe is now compelled to react to an arc of increasingly complex crises: from West Africa, through the Sahel, the Horn of Africa and the Middle East, East Ukraine and to the Caucasus; considers that the EU should increase dialogue and cooperation with third countries from the region, as well as regional and sub-regional organisations; stresses that the EU should be prepared to deal with structural changes in the international security landscape and with challenges that include interstate conflicts, state collapse and cyber-attacks, as well as with the security implications of climate change;

27. Welcomes the idea of ‘regionalised’ CSDP missions present in the Sahel, notably because it corresponds to the will of countries in the sub-region to increase cooperation in the field of security through the G5 Sahel platform; is convinced that this could represent an opportunity to strengthen
the efficiency and the relevance of the CSDP missions (EUCAP Sahel Mali and EUCAP Sahel Niger) present in the field; strongly believes that this concept of ‘regionalisation’ must rely on field expertise, definite objectives and the means to achieve them, and should not be defined only under the impetus of political considerations.

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European Parliament resolution of 14 December 2016 on the implementation of the Common Foreign and Security Policy (2016/2036(INI))

[The European Parliament,]

44. Underlines also the need to intensify the fight against the root causes fuelling terrorism and radicalisation, which mainly affects West Africa, the Sahel, the Horn of Africa and the Middle East, and which is targeting Europe at an unprecedented level; urges the EU to undertake concerted diplomatic efforts, together with the US and other international allies, to convince partners in the region, such as Turkey, Saudi Arabia and Iran, of the need for a common and legally based strategy towards this global challenge; further encourages efforts to cooperate and coordinate with other countries in this fight and urges state and non-state actors in the region to abstain from fuelling any further sectarian and ethnic tensions; expresses strong concerns over the grave violations of international humanitarian and human rights law in Yemen, including the bombing of the funeral in Sanaa on 8 October 2016; demands an urgent independent, international investigation into this and other violations of international humanitarian and human rights; calls on the EU and its Member States to suspend any cooperation in Yemen until such violations are investigated and those responsible are held accountable; demands an immediate lifting of the blockade of Yemen and calls on all sides in the conflict to resume dialogue and to work towards a sustainable ceasefire; insists that there is no military solution to the conflict;

65. Deeply regrets the limited budget of around EUR 320 million (0,2 % of the EU budget) for the EU’s CFSP and calls for better management of the financial flows to implement this budget; stresses that the budget allocations decided for 2016 remain at the same level as 2015 and that, with an additional EUR 5 million in security measures approved for the EUCAP Sahel Mali mission and EUR 10 million for EUBAM Libya, the margin available at the end of March 2016 was EUR 170 million; expresses its concern at the shortage of resources available in view of the commitments which will have to be met throughout 2016, with an additional budget of EUR 169 million envisaged just to continue those missions ending in 2016.

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[The European Parliament,]
80. Notes that the creation of trust funds and ad hoc financial instruments, while helping to pool resources and bringing speed and flexibility to EU action, can also put at risk development effectiveness principles and undermines the unity of the budget and Parliament’s budgetary authority; calls therefore for Parliament to be given a greater supervisory role in the use of these instruments, including – but not limited to – by being part of the steering committees; recalls that the effectiveness of trust funds depends heavily on Member States’ readiness to contribute and their full involvement; urges that such instruments be brought under Parliament’s oversight and calls for guidelines for their incorporation into the EU’s budget and the scope of its powers;

86. Welcomes the use of common security and defence policy (CSDP) missions such as EUCAP Sahel Niger and EUNAVFOR MED Operation Sophia, which should be further strengthened as a means of protecting the EU’s external borders and preventing the trafficking of human beings and smuggling of migrants; supports the cooperation with NATO and EU initiatives such as Europol’s Joint Operational Team (JOT) Mare to gather and share intelligence and fight smugglers, while underlining that global mobility should not be considered a threat but an opportunity; recalls in this context that saving lives at sea and ensuring the rights of migrants must be of paramount importance in all these operations; recommends the use of CSDP tools for early warning (forecasting), mediation and conflict resolution, while stressing the importance of starting to plan for durable solutions as early as possible in conflict situations;

89. Urges the Commission and the EEAS to provide Parliament and the public, at the earliest opportunity, with a detailed overview of the various funding instruments and programmes – and how they fit together with Member State programmes – in the 16 priority countries (Ethiopia, Eritrea, Mali, Niger, Nigeria, Senegal, Somalia, Sudan, Ghana, Ivory Coast, Algeria, Morocco, Tunisia, Afghanistan, Bangladesh and Pakistan) with which the EU engages in high-level dialogues on migration, and under the Global Approach to Migration and Mobility (GAMM); is deeply concerned that among the priority countries, there are repressive regimes which are themselves the main cause of refugees fleeing their countries; recalls that the GAMM remains the overarching framework of the EU external migration and asylum policy, but notes that recent policy initiatives have made limited reference to it and calls for a clarification of the GAMM’s relevance in the current context, as well as a review of the GAMM in line with the IOM’s recommendations.

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[The European Parliament, ]

16. Notes the importance of Common Security and Defence Policy (CSDP) missions for Africa’s security, in particular training and support missions for African forces, and especially EUTM Mali, EUCAP Sahel Mali and EUCAP Sahel Niger, EUTM Somalia, and EUCAP Nestor; notes the additional support
provided by those missions for the efforts of other, UN-run missions; calls on the EU to step up the capabilities of those training missions, in particular by allowing African soldiers who have been trained to be monitored on and after their return from theatres of operations.

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[The European Parliament, ]

16. Questions, for example, the relevance of deploying and maintaining a mission on the Libyan border, (EUBAM Libya) an institutional and security context in which it has never been able to address the basic aims identified therein; calls for a reassessment of the needs as regards Libya in light of the worrying recent developments in order to adequately address security concerns, including in connection with ongoing anti-terrorism efforts in Mali and the Sahel region;

20. Hopes that the two civilian missions launched this year – the Council mission for the reform of the civil security sector in Ukraine (EUAM Ukraine) and the mission to support the internal security forces in Mali (EUCAP Sahel Mali) – will effectively fulfil their mandates and focus on clearly identified, measurable and long-term objectives.

**Oral / Written Questions**

**The EU’s migration policies in Niger: shopping lists and adverse effects**, E-004958/2018, Question for written answer to the Commission, Rule 130, Judith Sargentini (Verts/ALE)++, 28-09-2018

On 24 August this year, Der Spiegel published an article on the EU’s migration policies in Niger. Freely translated, the article states that: ‘off the record, EU officials speak of “shopping lists” of the 44 Nigerien ministers in return for ongoing cooperation: cars, planes, helicopters’.

The following day, the New York Times published an article on the EU’s efforts to reduce the number of migrants travelling through Niger. The article claims that the EU’s efforts have badly hurt the local economy, raised grave security concerns and led to the opening up of alternative migration routes to Algeria and Morocco. In it, the Nigerien interior minister is quoted as saying that ‘the fight against clandestine migration is not winnable’.

1. Could the Commission clarify whether or not such a ‘shopping list’ does indeed exist and whether any other demands have been made by Nigerien ministers in exchange for continued cooperation on migration?
2. Considering the adverse effects of the fight against migration, does the Commission consider the Nigerien example a success?
3. Did the Commission foresee the adverse economic and security implications of the EU’s migration management policies and, if so, how was the decision reached to prioritise migration management?
EUCAP Sahel Niger, E-008034/2015, Question for written answer to the Commission, Rule 130, Hugues Bayet (S&D), 20-05-2015
On 8 August 2012, the European Union launched a CSDP civilian mission in Niger with the aim of strengthening the ability of the Niger security forces to combat terrorism and organised crime.
The mission is taking place at a particularly difficult time in the Sahel, with the fight against terrorism in Mali and the chaos reigning in Libya. The Sahel has become a popular region for all kinds of trafficking (arms, drugs, migrants, etc.) with terrorist and criminal gangs proliferating. It is estimated that around 60% of migrants arriving in Lampedusa have passed through the town of Agadez, in the north of Niger.
1. Given the strategic position of Niger in the flow of migrants, is the aim of the EUCAP Sahel Niger mission that of helping the Niger security forces to gain control of their borders and thereby prevent migrants from reaching the EU?
2. If so, does this not go against the obligations of the Geneva Convention on the right to asylum?
3. What is the state of affairs regarding cooperation between the four CSDP operations in the region, namely EUBAM Libya, EUCAP Sahel Niger, EUCAP Sahel Mali and EUTM Mali?

VP/HR - Instrument contributing to Stability and Peace (IcSP) for Mali, E-000380/2018, Question for written answer to the Commission, Rule 130, Rachida Dati (PPE), 24-01-2018
On 11 January 2018, three French soldiers from the Barkhane force were wounded by a suicide bomber in eastern Mali. This attack occurred on the five-year anniversary of the launch of Operation Serval by the French Government.
The EU participates alongside France in peacekeeping efforts in Mali through the EUTM and EUCAP Sahel Mali. This presence serves primarily to support the G5 Sahel Joint Force by providing military and civilian expertise in Bamako. Despite the efforts of France, the European Union and G5 Sahel, there have been renewed tensions in the Malian conflict.
In November 2017, we adopted the Instrument contributing to Stability and Peace (IcSP), which would enable the EU to make an additional EUR 100 million available to finance training and non-lethal equipment for the armed forces of third countries.
1. Could the VP/HR indicate how much of this new IcSP budget will be devoted to peacekeeping in Mali?
2. How, in concrete terms, will this instrument be implemented on the ground in Mali?
On 5 June 2015, the EU High Representative announced that EUR 50 million would be released to support the joint force of the Group of Five Sahel States — Burkina Faso, Chad, Mali, Mauritania and Niger (the Sahel G5) — created in February 2017 to combat terrorism, transnational organised crime and irregular immigration.

The UN Security Council, in its resolution of 21 June 2017 supporting the efforts of the joint force, committed the Sahel G5 partners to provide support to the joint force through the provision of adequate logistical and operational assistance.

The EU is already present in the region with three missions (EUCAP Sahel Mali, EUCAP Sahel Niger and EUTM Mali) to train and advise the countries’ security forces. The EU has also organised the training of several officers from the five countries making up the Sahel G5 joint force.

That being so, how does the High Representative see the three EU missions interacting with the joint force? How will the three EU missions provide the joint force with logistical and financial assistance and support with training of army officers?

See also: VP/HR - support for the G5 Sahel Joint Force, P-006105/2017, Question for written answer to the Commission, Rule 130, Barbara Lochbihler (Verts/ALE)++, 29-09-2017
## Special report 16/2018 of 12 June 2018

**Ex-post review of EU legislation: a well-established system, but incomplete**

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**Report No / Date / Title**

Special report No 16/2018: Ex-post review of EU legislation: a well-established system, but incomplete

**Summary**

**Questions asked:**

Has the system of ex-post review of EU legislation been properly planned, implemented and quality controlled, thereby contributing effectively to the Better Regulation cycle?

The Court examined:

1. to what extent the Commission and the co-legislators (European Parliament and Council) had given proper consideration to review and monitoring clauses when preparing new legislation or amending existing legislation;
2. whether the Commission ensures the timely execution of all its ex-post review obligations, within the framework of a comprehensive and coherent set of guidelines and standards, including the quality control mechanisms;
3. whether the Commission and co-legislators ensure that ex-post reviews of legislation are made publicly available, provide a clear outcome and are properly followed-up and integrated into the legislative cycle;
4. whether the rationale of the REFIT programme is clear.

**Findings:**

1. Overall, the Court concluded that the Commission’s current ex-post review system compares well to the situation in the majority of Member States. Regarding more specifically the evaluations, the Commission has designed a system which is, as a whole, well-managed and quality-
Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

controlled, thereby contributing effectively to the Better Regulation cycle. However, when it comes to reviews other than evaluations, the Court identified weaknesses.

2. The Court found that review clauses and, to a lesser extent, monitoring clauses are widely used in EU legislation. However in the absence of common inter-institutional definitions and drafting guidelines, their content and therefore their expected outputs are not always clear.

3. While evaluations are generally carried out in line with legal requirements and good practices, this is less the case for the other reviews, to which the Better Regulation guidelines did not apply until 2017. The Court also identified shortcomings in the presentation of the methodology used and in the recognition of data limitations when applicable.

4. The Court also found that ex-post reviews are publicly available and accessible and that the vast majority of them provide a clear conclusion and indicate next steps to be taken. The Commission systematically forwarded its reports on the ex-post reviews to the co-legislators (European Parliament and Council); the latter, however, seldom react to the Commission directly. Also, the ex-post reviews are not always used by the Commission when preparing ex-ante impact assessments. The inter-institutional agreement between the European Parliament, the Council and the Commission on better law-making, which provides provision on the review of existing laws, is not binding.

5. Finally, the Court found that the rationale of the REFIT programme is unclear, as are the criteria by which individual initiatives have been labelled as REFIT. At the same time, the guidelines present REFIT as a specific programme. This raises questions as to its current nature and added value.

Recommendations:

the Court recommends:

1. Enhancing the inter-institutional agreement on better law-making
   a) In the context of the existing inter-institutional agreement, the Commission, in cooperation with the European Parliament and the Council, should develop an interinstitutional vade-mecum on review and monitoring clauses containing: - a taxonomy of possible outcomes/ex-post reviews that can be requested; - guidance on indicative timing for each type of ex-post review; - guidance on drafting monitoring clauses both for EU institutions or bodies and Member States.
   b) The Commission should propose that the European Parliament and the Council decide, in line with article 295 of the TFEU, on the legal form and means that will enhance the binding nature of a future inter-institutional agreement on better law making in order to maximise its practical effects.

2. Better ensuring the quality of ex-post reviews by defining minimum quality standards for all ex-post reviews
a) The Commission should define a set of minimum quality standards for ex-post reviews other than evaluations with a view to ensuring their quality across Commission services.

b) The Commission should grant the Regulatory Scrutiny Board, as an independent reviewer, the right to scrutinise ex-post reviews other than evaluations.

c) The Commission should incorporate in its minimum quality standards applicable to ex-post reviews with an evaluative element the requirement to include a detailed outline of the methodology used, a justification of its choice, and the limitations.

3. Conducting a gap analysis of data collection and management capabilities The Commission should conduct, at the appropriate level, gap analyses of its ability to generate, collect and (re)use the data required for sound evidence-based ex-post reviews, and implement the corresponding actions best suited to each action.

4. Ensuring respect for the “Evaluate first” principle

a) The Commission should ensure that the “evaluate first” principle is systematically respected when revising existing legislation. Therefore, it should not validate a proposal the impact assessment of which is not based on previous evaluation work.

b) The Regulatory Scrutiny Board should pay due attention to effective application of this principle. It should publish annually a list of those impact assessments which do not respect the “evaluate first” principle.

5. Mainstreaming REFIT into the Better Regulation cycle

The Commission should clarify the REFIT concept and mainstream its presentation and use to avoid the perception that REFIT is in some way separate from the standard Better Regulation cycle.


Rapporteur: Brian Hayes (EPP)

*Recommendations by the rapporteur,*

1. Welcomes the Court’s report, and endorses its remarks and recommendations;
2. Notes that the Inter-institutional Agreement on Better Law Making (IIA-BLM) will start its 2018 monitoring exercise very soon and the High Level inter-institutional meeting will take place at the end of the year;

3. Notes that Court presented a very thorough and comprehensive piece of research (e.g. good sample size), and could be an example for future analysis in other areas of the IIABLM; also notes that the development of additional performance indicators to monitor the implementation of the IIA-BLM should be considered;

4. Is of the opinion that the active involvement and participation of the Court will benefit the IIA-BLM by enhancing its monitoring exercise; believes that greater use of Court’s briefing papers may also contribute to achieving that objective;

5. Notes that the establishment of a joint-interinstitutional vademecum on monitoring and review clauses with guidelines and drafting clauses could be an improvement in the legislative scrutiny, as long as it would not undermine the co-legislators freedom of political choice;

6. Notes that common guidelines for ex post reviews could be considered in a future review of the IIA-BLM;

7. Notes the importance of setting a framework under which information on the transposition of EU law into national law should be made available to the Commission by the Member States.

**Related EP Reports / Resolutions of other committees**

<table>
<thead>
<tr>
<th>Related EP Reports / Resolutions of other committees</th>
<th>European Parliament resolution of 14 June 2018 on monitoring the application of EU law 2016 (2017/2273(INI))</th>
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<tbody>
<tr>
<td></td>
<td>The European Parliament,</td>
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<td></td>
<td>49. Reiterates its call for the creation, within the relevant Directorates-General (DG IPOL, DG EXPO and DG EPRS), of an autonomous system for ex-post assessment of the impact of the main EU laws adopted by Parliament under co-decision and in accordance with the ordinary legislative procedure;</td>
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<td></td>
<td>The European Parliament,</td>
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<td></td>
<td>19. Calls on the Commission to use impact assessments and ex-post evaluations to examine the compatibility of initiatives, proposals or pieces of existing legislation with the Sustainable Development Goals, as well as their impact, respectively, on the progress and implementation of these Goals;</td>
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<td></td>
<td>38. Underlines the importance of the ex-post evaluation of existing legislation, in accordance with the ‘evaluate first’ principle, and recommends that, whenever possible, it take the form of ex-post impact assessments applying the same methodology as in the ex-ante impact assessment relating to the same piece of legislation, so as to enable a better evaluation of the performance of the latter</td>
</tr>
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</table>
39. Welcomes paragraph 22 of the new IIA, wherein, in order to support the evaluation process of existing legislation, the three Institutions agree to, as appropriate, establish reporting, monitoring and evaluation requirements in legislation, while avoiding overregulation and administrative burdens, in particular on the Member States; notes the challenges linked to collecting data in the Member States on the performance of legislation and encourages the Commission and the Member States to step up their efforts in this regard;

40. Welcomes paragraph 23 of the new IIA, wherein the three Institutions agree to systematically consider the use of review clauses in legislation; invites the Commission to include review clauses in its proposals whenever appropriate and, if not, to state its reasons for departing from this general rule;

********


The European Parliament,

E. whereas on 19 May 2015 the Commission adopted a package of better regulation measures with new integrated Better Regulation Guidelines, including updated guidance for assessing subsidiarity and proportionality in the context of impact assessment of new initiatives;

G. whereas in 2015 the European Parliamentary Research Service produced 13 initial appraisals, one impact assessment of substantive parliamentary amendments and six ex post impact assessments; whereas it also produced four reports on the cost of non-Europe and two European added value assessments; whereas in 2016 the European Parliamentary Research Service produced 36 initial appraisals, one impact assessment of substantive parliamentary amendments and 14 ex post European impact assessments; whereas it also produced seven reports on the cost of non-Europe and five European added value assessments;

I. whereas subsidiarity and proportionality are key considerations in the context of impact assessments and retrospective evaluations, which assess whether actions at EU level are necessary, whether their objectives can be achieved more effectively by other means and whether they are actually delivering the expected results in terms of efficiency, effectiveness, coherence, relevance and EU added value;

18. Supports the Commission’s commitment to ‘evaluate first’ before considering potential legislative changes; considers, in this respect, that the European Union and the authorities of the Member States should work closely together to ensure better monitoring, measurement and evaluation of the actual impact of EU regulation on citizens, the economy, social structure and environment;

19. Welcomes the signature by the European Parliament, the Council and the Commission in 2016 of a new Interinstitutional Agreement on Better Law-Making; recalls that the Commission is committed to explaining in its explanatory memoranda how its proposals are justified in the light of the principles of subsidiarity and proportionality; welcomes the fact that, through the Interinstitutional Agreement on Better Law-Making, the
Commission has committed itself to making the impact assessments of its legislative and non-legislative proposals available to national parliaments; recalls that this agreement also emphasised the need for more transparency in the legislative procedure and that the information provided to national parliaments must allow them to exercise fully their prerogatives under the Treaties;

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**European Parliament resolution on the Commission Work Programme 2016** (2015/2729(RSP))

The European Parliament,

3. Welcomes the opening of negotiations for a new interinstitutional agreement on better law making; takes the view that this should lead to improvements in the quality of the Commission’s legislative drafting, the strengthening of its impact assessment of draft laws, including economic, social, environmental and SME-related impact assessments and, where appropriate, the use of regulations rather than directives in accordance with the principles of subsidiarity and proportionality; expects the Commission to treat the two branches of the legislative authority equally in terms of the information and documentation provided throughout the legislative process; expects stronger commitment to ensuring proper interinstitutional consultation, a full follow-up to Parliament’s proposals and recommendations, and the provision of detailed justifications for each envisaged withdrawal; recalls that the multiannual programming, agreed between the three institutions, should provide the framework for the annual work programme and should form the basis of discussions on the specific annual work programme; recalls its view that better law making should not be seen as a tool for deprioritising areas falling within EU competences and that political decisions within the democratic decision-making process should prevail over technical assessments;

5. Expects the Commission, in the context of the Regulatory Fitness and Performance (REFIT) programme, to present a list of legislation and proposals to be reviewed or repealed where their appropriateness or EU added value no longer seems to be a given and where they are obsolete or no longer fit the initial purpose; stresses, however, that REFIT must not be used as a pretext for lowering the level of ambition on issues of vital importance, for deregulating or for lowering social and environmental standards; believes that simplification is about quality and not about quantitative targets; notes the aim of reducing the administrative and bureaucratic burden and the related costs of new proposals for the whole policy cycle, including transposition, implementation and enforcement; calls for significant reductions to be made with the aim of initiating better conditions to create new jobs, retain jobs in Europe and re-shore jobs, fostering competition and sustainable growth.

**Oral / Written Questions**

*Commission’s commitment to consult more and listen better under its Better Regulation Agenda*, P-004810/2016, Question for written answer to the Commission,

**Rule 130, 14 June 2016, Julia Reda (Verts/ALE)**
In its Better Regulation Agenda the Commission expressed its determination to change both what the EU does and how it does it. It specifically emphasised that the ‘EU, its institutions, and its body of law, are there to serve citizens and businesses who must see this in their daily lives and operations’ and recognised the need to restore confidence in the EU institutions. In order to achieve this, the Commission also committed itself to consult more with citizens, to listen better to their concerns and to be more open to their feedback at every stage of the decision-making process.

1. Can the Commission indicate if and how it intends to live up to this commitment in light of the 10 599 individual citizen and civil society contributions submitted to the public consultations on platforms, on the review of EU copyright rules and on publishers rights and the panorama exception?

The Better Regulation Agenda and transparency, E-009535/2015, Rule 130, Question for written answer to the Commission, 11 June 2015, Pablo Iglesias (GUE/NGL), Estefanía Torres Martínez (GUE/NGL)

The Commission’s 2015 Work Programme committed to presenting a proposal for a new Interinstitutional Agreement to update and strengthen the common understanding with Parliament and the Council in relation to better regulation.

On 19 May 2015, the Commission adopted its Better Regulation Agenda, a package of reforms that will ‘boost openness and transparency in the EU decision-making process, improve the quality of new laws through better impact assessments of draft legislation and amendments, and promote constant and consistent review of existing EC laws’(1). It is also stated that ‘The decisions taken by EU institutions interest us all, so we are putting forward measures which will open up the EU’s decision-making process, allowing for more transparency and scrutiny, and providing more opportunities for people to give their views.’

1. How will this series of measures contribute to the transparency of regulation? Does the nature of the transparency procedure announced by the Commission mean that citizens’ input will be binding or merely consultative?
Special report 17/2018 of 13 September 2018

Commission’s and Member States’ actions in the last years of the 2007-2013 programmes tackled low absorption but had insufficient focus on results

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>European Regional Development Fund (ERDF)</th>
<th>European Social Fund (ESF)</th>
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<tr>
<td>Report No / Date / Title</td>
<td>Special report no 17/2018: Commission’s and Member States’ actions in the last years of the 2007-2013 programmes tackled low absorption but had insufficient focus on results</td>
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<tr>
<td>Summary</td>
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<tr>
<td>Short summary of questions asked, findings and recommendations</td>
<td>Questions asked:</td>
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<td>Were the Commission’s and Member States’ actions effective in absorbing funding from the ERDF, ESF and CF during the 2007-2013 programme period. In particular, the Court examined whether:</td>
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<td>1. the Commission detected absorption difficulties and addressed them in a timely manner through measures aiming to improve absorption and by supporting Member States in implementing them;</td>
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<td>2. the Member States used these measures with due consideration to compliance and value for money</td>
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<td>Findings:</td>
<td>1. The Commission reacted late to slow implementation but its actions helped increase absorption:</td>
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<td></td>
<td>a) Late adoption of the legislative framework and slow implementation resulting in increased pressure to absorb funds</td>
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<td>b) The Commission’s action to address absorption difficulties was late, but its actions still had an impact on absorption</td>
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## Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

<table>
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<th>Recommendations:</th>
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<tr>
<td>The Court recommends that the Commission should:</td>
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<tr>
<td>1. propose to the Council and the European Parliament a timetable for negotiation and adoption of the legislative framework and programme documents with a view to ensure that OP implementation can start at the beginning of the programme period;</td>
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<td>2. where key elements of performance are affected, ensure that revisions of OPs are based on a sound and comprehensive assessment of the OPs and partnership agreements and related needs and that the revision is primarily undertaken to provide better results;</td>
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<td>3. ensure that it has the means to obtain information allowing it to monitor absorption, identify slow and rapid absorption and assess ex-ante the need and the impact of measures to know whether to use them or not;</td>
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<td>4. when providing targeted support to accelerate implementation ensure that actions are undertaken with a focus on delivery of good results.</td>
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### CONT Committee Working Document; Rapporteur

- **CONT Working Document of 27 November 2019** on ECA Special Report 17/2018 (Discharge 2017): Commission’s and Member States’ actions in the last years of the 2007-2013 programmes tackled low absorption but had insufficient focus on results

Rapporteur: Georgi Pirinski (S&D)

*Recommendations by the rapporteur,*

The European Parliament,
1. Welcomes the Court of auditors’ Special report 17/2018 and the valuable comparison between previous and the current programme periods, thus focusing attention to expected forthcoming challenges for Member States and the Commission regarding the sound and result-oriented absorption of cohesion policy funds;

2. Considers as unsatisfactory the reply of the Commission with regard to the recommendation to propose a timetable with key milestone dates for adoption of the legislative framework so that OPs implementation starts on time and asks the Commission to put forward a concrete proposal based on its evaluation of the timeframe required for timely programmes’ implementation;

3. Shares the Court’s position that while absorption is important for achieving policy objectives, it is not an end in itself but rather to achieve results in line with cohesion policy objectives; is of the firm opinion that value for money is not simply how much is spent but what has been achieved with the resources disbursed;

4. Is deeply concerned that the Commission seems to be underestimating the risk, of which the Court warns as well, that delays in the budgetary execution for the 2014-2020 period could turn out to be greater than those for the 2007-2013 period, thus creating significant pressure for the proper absorption of funds at the end of the programming period and heightening the risk of insufficient consideration for value for money and the achievement of results.

5. Is concerned that the Commission is neglecting the risk, also identified by the Court, due to the highly unsatisfactory level of absorption in the middle of the programming period, which is twice lower compared with the corresponding moment in the previous period, as well as the pressure on absorption due to the overlapping of the end of the current period with the first years of implementation of the next period;

6. Asks the Commission to present a forecast and assessment about every Member State with regard to accumulation of commitments which are under risk of being absorbed on time by the end of the period and to suggest measures for assisting Member States to mitigate a potential negative effect for insufficient absorption of the available funds;

7. Asks the Commission to ensure that measures which will be undertaken for avoiding automatic decommitment by Member States respect objectives and results pursued by OPs and projects and that relevant monitoring and reporting of amended OPs is implemented;

8. Calls on the Commission to use the resources for technical assistance at its own initiative and to assist proactively Member States to speed up result-oriented absorption of the cohesion policy funds.

9. Draws attention to the ultimate purpose of cohesion policy is to support economic and social cohesion among different regions and countries in the EU and to contribute to reducing disparities and inequalities within the EU; underlines that this must be the guiding principle for Member States, the Commission and all relevant stakeholders when implementing and absorbing EU funds.

**Related EP Reports / Resolutions of other committees**

Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

[The European Parliament, ]

1. Expresses serious concerns over the payment surplus of EUR 7 719.7 million; is particularly astonished by the situation of European Structural and Investment (ESI) Funds in sub-heading 1b, where Member States, in their July submission, revised downwards their forecasts for payment claims by EUR 5.9 billion due to continued delays in the implementation of the programmes, thereby preventing many potential projects and beneficiaries from Union support; also deplores that the Member States failed to launch their national programmes for the Asylum and Integration Fund (AMIF) and the Internal Security Fund (ISF) at the expected pace and to properly implement the schemes for the relocation of refugees, resulting in a EUR 287.6 million cut in heading 3;

2. Takes note of the Commission's analysis of the causes of under-implementation in sub-heading 1b, such as the focus on absorbing the 2007-2013 envelopes, the late adoption of the legal bases, the lengthy designation of national authorities, the changes brought in by the new legal framework, and the reduced incentives due to the N+3 de-commitment rule; is worried by the fact that, according to the Commission's latest payments forecasts, under-implementation is to continue in the years to come and will result in an additional EUR 31 billion in payments spilling over into the next multiannual financial framework (MFF); takes note of the fact that not all Member States have the same difficulties in implementation; urges in particular those Member States with a very high level of under-implementation to take the necessary measures to properly implement the jointly agreed Union programmes, with the assistance of the Commission;

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European Parliament resolution of 11 May 2016 on acceleration of implementation of cohesion policy (2016/2550(RSP))

[The European Parliament, ]

F. whereas two years have passed since the start of the new programming period, and there have been delays in the implementation of cohesion policy; whereas operational programmes were mostly approved at the end of 2014 and in 2015, and a significant number of ex-ante conditionalities have not been fulfilled yet;

4. Welcomes the establishment of the Task Force for Better Implementation of the 2007-2013 programmes in eight Member States and calls on the Commission to inform Parliament of the results achieved; asks the Commission to continue with this Task Force to support and accelerate the implementation of the 2014-2020 programmes in all Member States and to present to Parliament an action plan for the Task Force’s activities; calls on the Commission to fully include ESI Funds in the EU’s ‘Better Regulation’ strategy;

6. Stresses, bearing in mind that good governance can help to enhance absorption capacity, the need to encourage relevant structural reforms, in line with territorial cohesion and sustainable growth and employment objectives, as well as investment-friendly policies and the fight against fraud; looks forward to the conclusions of the Commission’s ‘Lagging regions’ report and further details of how these conclusions might be employed to
address long-standing challenges affecting the timely implementation and absorption of ESI Funds; invites the Commission also to clarify the concept of performance-based budgeting with a view to increasing the efficiency of spending;

10. Is concerned about the delays experienced by Member States in the designation of the programme and certifying authorities, which in turn delay the submission of payment applications by Member States, thus preventing the smooth implementation of programmes;

12. Highlights the importance of timely payments to the proper and effective implementation and credibility of cohesion policy; calls on the Commission, therefore, to inform Parliament of measures envisaged to ensure full implementation of the Payment Plan in the context of the budget 2016 and also for the coming years;

13. Underlines the fact that assessing (the acceleration of) the implementation of cohesion policy now could provide some important learning points for the Commission with a view to the discussion of future cohesion policy post-2020; asks the Commission to formulate key learning points and to engage with Parliament, the Member States and other relevant stakeholders on the future of ESI Funds post-2020 as early as possible, with a view to increasing their targeted use and timely implementation;

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European Parliament decision of 27 April 2017 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III – Commission (2016/2151(DEC))

[The European Parliament, ]

28. Regrets that the backlogs in the use of 2007-2013 structural funds are significant; notes that by the end of 2015, payment of 10 % of the total EUR 446,2 billion allocated to all approved operational programmes was still outstanding;

30. Notes with concern the fact that, by the end of 2015, five Member States (the Czech Republic, Italy, Spain, Poland and Romania) and principle beneficiaries accounted for more than half of the unused commitment appropriations for structural funds that have not led to payments for the programming period 2007-2013, the reasons for this delay being various: lack of capacity and administrative assistance, lack of national resources to co-finance Union operations, delays in submitting regional programmes for the 2014-2020 Multiannual Financial Framework, etc.;

35. Points out that difficulties with completing the compliance assessment procedures concerning the new management and control system, that generally fall at the beginning of the programming period, are a serious cause for absorption delays;

36. Notes that the global economic recession, which has a direct effect in the form of the budgetary restraint measures applied to public budgets and difficulties in obtaining internal financing is also a main factor for delaying absorption;
37. Deeply regrets that, as a consequence, there is a risk that delays in budget execution for the 2014-2020 programming period will be greater than those experienced for the 2007-2013; fears that the forthcoming Multiannual Financial Framework might start with an unprecedented high level of reste à liquider ("RAL") which might endanger the management of the Union budget in the first years; expects the Commission to have learnt from this with a view to preventing similar delays in the future;

42. Requests that as a matter of urgency, given the poor situation in which several Member States now find themselves, the Commission consider in its budgetary and financial management the capacity constraints and the specific socio-economic conditions of certain Member States; calls on the Commission to use all available instruments through technical assistance and the new Structural Reform Support Programme to support these Member States in order to avoid the underutilisation of funds and to increase the absorption rates especially in the area of the European structural and investment funds;

43. Reiterates the need for simplification and clarity of rules and procedures at both Union and national level in order to facilitate access to Union funds for beneficiaries and to ensure sound management of those funds by the administrative services; believes that simplification will contribute to the speedy allocation of funds, higher absorption rates, increased efficiency and transparency, fewer implementation errors and reduced payment periods; considers that a balance needs to be struck between simplification and the stability of rules, procedures and controls; notes that, in any case, providing potential applicants and beneficiaries with sufficient information and guidelines is a necessary precondition for successful implementation;

44. Calls on the Commission to refrain from new cuts of the technical assistance at its disposal and to come up with an action plan for effective and timely absorption with particular emphasis on those Member States and regions lagging behind and having low absorption rates;

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European Parliament resolution of 16 February 2017 on investing in jobs and growth – maximising the contribution of European Structural and Investment Funds: an evaluation of the report under Article 16(3) of the CPR (2016/2148(INI))

[The European Parliament, ]

D. whereas the negotiations for PAs and Operational Programmes (OPs) for the period 2014-2020 have been a modernised, strongly adjusted and intensive exercise with a new framework for performance, ex ante conditionalities and thematic concentration, but have also resulted in serious delays in the actual commencement of cohesion policy implementation, also because of shortcomings in the administrative capacity of several regions and Member States, matters being further slowed down by the procedure for designation of managing authorities;
E. whereas it is undisputed that due to the late adoption of the regulatory framework at the end of 2013 as a consequence of the long negotiations and late agreement on the MFF, operational programmes could not be adopted on time; whereas consequently the implementation of OPs had a slow start, thereby impacting the take-up of the policy on the ground;

K. whereas the Task Force for Better Implementation has helped ease bottlenecks and backlogs in the allocation of funds;

37. Notes that Member States have different administrative cultures and levels of performance in their policy framework, which the ex ante conditionalities should help to overcome; stresses the need to strengthen administrative capacity as a priority in the context of cohesion policy and the European Semester exercise, particularly in Member States with low absorption of funds; notes the need to provide technical, professional and practical assistance to Member States, regions and localities during applications for funding; appreciates the impact of the Jaspers facility, and reiterates that poor investment planning results in major delays in the completion of projects and in the inefficient use of funding;

57. Underlines that faster take-up of the available funds and a more balanced progression of expenditure during the programming cycle will be needed in future, also in order to avoid frequently turning to ‘retrospective projects’, which are often aimed at avoiding automatic decommitment at the end of the programming period; takes the view that after adoption of the general regulation and the fund-specific regulations, implementation of the OPs in the next funding period as from 2021 will be able to start more quickly, as Member States will already have experience with a performance-oriented policy after the efforts made for cohesion policy in the period 2014-2020; points out in this regard that Member States should avoid delays in appointing managing authorities for the OPs;

58. Insists that the legislative process to adopt the next MFF should be concluded by the end of 2018, so that the regulatory framework for future cohesion policy can be adopted swiftly after that and can come into force without delay on 1 January 2021.

Oral / Written Questions

Late implementation of European Structural and Investment Funds, E-001644-17, Question for written answer to the Commission, Rule 130, Monika Smolčková (S&D), 26-10-2017

Before the end of the 2007-2013 seven-year period, we experienced some tough moments in the Committee on Regional Development and also in the Commission when, in an effort to see that some States were not deprived of structural funds, we hurriedly approved exemptions, specifically the N+3 for Slovakia and Romania. We are now in the middle of the 2014-2020 seven-year period and again we note that some Member States have a very low absorption rate when it comes to structural funds.

What is the Commission doing to ensure that Member States absorb more structural funds? The failure to absorb funds plays into the hands of opponents of the post-2020 Cohesion Policy, and the low implementation rate means that we will find the policy very hard to defend when preparing for the post-2020 period.
State of play as regards financial instruments for the 2014-2020 programming period, E-007067/2015, Question for written answer to the Commission, Rule 130, Iskra Mihaylova (ALDE), 30-04-2015

In the light of the current economic situation and the increasing scarcity of public resources, financial instruments are expected to play a significantly stronger role in cohesion policy in the 2014-2020 programming period. The experience gained during the 2007-2013 period is therefore crucial for their more efficient and effective use in the future.

In view of the extremely low absorption rate of the financial instruments up to 2014, what measures have been taken by the Commission to accelerate the absorption rates and to ensure that the financial instruments are successfully implemented and achieve the desired leverage effect during the current 2014-2020 programming period? What is the state of play as regards the absorption of financial instruments within cohesion policy as a whole and by Member State as at 31 December 2014?

Commission body for the support to Member States in the absorption of Cohesion Policy funds, E-000871/2015, Question for written answer to the Commission Rule 130, Ivan Jakovčić (ALDE), 22-01-2015

Some Member States have problems with the absorption of Cohesion Policy funds. In this connection, in my work as a member of the REGI Committee, I have repeatedly advocated the establishment of a special ‘intervention body’ of the European Commission that would intervene and assist Member States in addressing the problems of preparation and implementation of the cohesion policy. I am convinced that the responsibility for a successful absorption of funds cannot rest only with national authorities since the consequences of poor use of development resources of the EU ultimately impact on the whole of the EU.

Given the fact that the newly elected Commissioner for Regional Policy, Mrs. Corina Crețu, has underlined the establishment of a ‘Task Force’ whose role it will be to help Member States which encounter problems with the utilisation of resources of the EU Cohesion Policy, I ask the following questions:

1. How is this Task Force structured (from the personnel and organisational point of view) and how does it function?
2. What actions have so far been undertaken and implemented by the said Task Force?
<table>
<thead>
<tr>
<th><strong>Results of absorption of EU funds in the period 2007 — 2014 by Member State and by fund</strong>, E-003824/2015, Question for written answer to the Commission, Rule 130, Ivan Jakovčić (ALDE), 10-03-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is there an analysis of the absorption of funds by Member State (percentage of utilisation in relation to the available resources) from the European Regional Development Fund, the European Social Fund, the European Fisheries Fund and the European Fund for Agriculture and Rural Development realised in the period 2007 - 2014 to 31 December 2014?</td>
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<tr>
<td>2. Which Member States had the best percentage of utilisation of resources from these EU funds by the end of 2014, or at the latest date for which such statistics are available?</td>
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<thead>
<tr>
<th><strong>Speeding up implementation of cohesion policy</strong>, O-000070/2016, Question for oral answer to the Commission, Rule 128, Iskra Mihaylova (ALDE) on behalf of the Committee on Regional Development, 20-04-2016</th>
</tr>
</thead>
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<tr>
<td>EU cohesion policy, with a budget of over EUR 350 billion until 2020, represents in some Member States the main source of public investment. The objectives of growth enhancement and job creation can be achieved through coherent interaction within the EU economic policy mix of structural reforms and growth enhancing investment, all supported and accelerated by cohesion policy investments.</td>
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<td>Under Article 136(1) of the Common Provision Regulation (1303/2013), the Commission ‘shall decommit any part of the amount in an operational programme that has not been used for payment of the initial and annual pre-financing and interim payments by 31 December of the third financial year following the year of budget commitment under the operational programme’. While the fact that the N+2 rule from the 2007-2013 perspective is extended to N+3 for all Member States is positive, serious concern is expressed at the significant delay in the implementation of cohesion policy 2014-2020, including the delay in adoption of Operational Programmes.</td>
</tr>
<tr>
<td>1. How does the Commission intend to speed up implementation of cohesion policy? What measures are being envisaged to facilitate the implementation of the Operational Programmes in order to avoid the decommitment of funds?</td>
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<tr>
<td>2. Also, looking back to the 2007-2013 programming period, can the Commission provide information about the major obstacles and problems in the Member States during implementation which hampered absorption of the funds? Can the Commission also indicate the amounts at risk of decommitment envisaged at this stage? Can the Commission provide information on the results of the intervention of the Task Force for better implementation in the eight Member States covered between 2014 and the end of 2015?</td>
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<tr>
<td>3. What will be the focus of the activities of the Task Force for Better Implementation for the 2014-2020 programming period?</td>
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<tr>
<td>4. Since administrative capacity is a key precondition for timely and successful performance of cohesion policy, will the Commission support strengthening administrative capacity for implementation and evaluation? What actions are being envisaged in this regard?</td>
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<td>5. Bearing in mind that a correlation exists between good governance and absorption capacity, what measures will be suggested in order to encourage structural reforms, growth and investment-friendly fiscal consolidation, and also to improve financial management?</td>
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</tbody>
</table>
6. Timely payments are important for the proper implementation and credibility of the policy. What measures are being envisaged to ensure full implementation of the Payment Plan in the context of the 2016 budget and for the coming years?
Special report 18/2018 of 12 July 2018

Is the main objective of the preventive arm of the Stability and Growth Pact delivered?

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<td>Has the Commission effectively coordinated the Member State fiscal policies needed for achieving the objectives of the preventive arm of the SGP under its assigned responsibilities for the European Semester?</td>
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More specifically, the Court examined:

1. the clarity of the objectives and conditions set in Regulation No 1466/97 to ensure that the Member States with deficits and/or high debt levels (above 60 % of GDP) progressed rapidly towards their MTOs (Part I);
2. the Commission’s implementation of the Regulation, whether it is compliant with the rules and whether operational decisions are effective in relation to preventive arm rules (Part II);
3. the overall rate of progress, particularly of high-debt Member States, towards their MTOs (Part III);
4. the Commission’s work to ensure the submission of comprehensive and adequate SCPs, and to assess their plausibility and compliance with the regulations and the Code of Conduct (CoC) of the SGP, the quality of the Commission’s SWDs and other related country assessments (for example, the DBPs for euro area Member States submitted in the autumn) in terms of whether they report, in a timely and consistent manner, on the most important risks and appropriate policy responses (Part IV);
5. the basis for and relevance of CSRs as well as their monitoring, and level of implementation (Part V);
The Court assessed the effectiveness of the Commission’s implementation of the preventive arm in the period 2011 to 2016 and followed the most important developments in 2017 and 2018. The Court examined the preventive arm in detail for a sample of six Member States (Austria, Belgium, Finland, Hungary, Italy, and the Netherlands).

**Findings:**

1. The regulation set an appropriate pace for converging towards the MTO but included ambiguous provisions

2. The Commission has extensively exercised the discretion granted but has not focused on the main objective
   a) Cyclically adjusted requirements combined with margin for deviation and margin for discretion do not deliver the benchmark rate of adjustment
   b) Commission implementation of flexibility, on which it later reached agreement with Member States, leads to long delays in reaching the MTOs and allows for an increase in unrelated expenditure
   c) The cumulative effect of clauses and the significant deviation margin prevents attainment of the MTO in a reasonable time
   d) Information value of outer year projections in SCPs

3. Progress towards the MTOs came to a halt as soon as market pressure subsided and several indebted countries are not on the path to achieve the MTO in a reasonable time
   a) No progress towards the MTOs on average in recent years
   b) Particularly weak results seen in the most highly indebted Member States
   c) Mixed performance in Member States with debt levels between 70 - 90% in 2014-2018
   d) A sharp worsening in two Member States with low debt 97 - 98 An imbalance between sustainability and cyclical considerations

4. The commission could improve certain technical aspects of assessments
   a) Optimistic bias in Commission forecasts for real GDP growth and investment for year t and t+1
   b) Assessment of the information included in SCPs
   c) Reporting the level of deviation by the Commission correct but confusing
5. CSRs reflect underlying assessment conclusions but require more clarity
   a) CSRs reflect the results of the assessments carried out, but their relevance may change if conditions alter
   b) CSR formulations published in 2017 became less clear and enforceable
   c) Commission sufficiently monitors the implementation of fiscal CSR

Recommendations:
1. The Commission should address the issue of cumulative deviations and parameters in the matrix of required adjustments
2. Flexibility clauses should be reformed to reflect the original role envisaged in the Regulation
3. The adjustment requirements under the corrective and preventive arm should be synchronised and the step-up procedures used more effectively
4. Improve the quality of information required in Stability and Convergence Programmes and in the Commission’s assessment reports
5. Use of vintages and freezing should be reviewed
6. The clarity of explanations in country-specific recommendations should be improved

CONT Committee Working Document; Rapporteur

Working Document of 28-11-2018 on ECA Special report 18/2018 (Discharge 2017): Is the main objective of the preventive arm of the Stability and Growth Pact delivered?

Rapporteur: Georgi Pirinski (S&D)

[Recommendations by the rapporteur,]

The European Parliament,

1. Considers that the Court of auditors’ Special report 18/2018 provides a most timely and important analysis, examining the manner in which the Commission has been implementing the provisions governing the preventive arm of the Stability and Growth Pact from the point of view of achieving its main objective, that is for Member States to successfully move towards reaching their respective Mid-Term Objectives regarding budgetary balances;
2. Is most concerned at the complete divergence of opinions between the Court and the Commission regarding whether the Commission has been implementing the preventive arm provisions properly in order to achieve the required MTOs. This complete lack of common understanding between the two institutions on the crux of the question whether the Commission has been properly applying the SGP preventive arm is an important indication of the existence of substantial differences, on the one hand regarding the adequacy of the actual texts of the legal acts currently governing the implementation of the SGP, and on the other concerning the criteria and considerations, on the basis of which to assess whether they are being applied in practice;
3. Is of the opinion that the findings of the Court, namely that the Commission, through its actions has not been ensuring that the Regulation’s main objective is met, might be considered as justified on the basis of a strictly literal interpretation of its provisions; nevertheless considers that the Commission has had sufficient grounds to exercise flexibility in applying the respective provisions of the Regulation in light of economic conditions and the of requirements of relaunching growth and increasing employment;

4. Further considers that the expanding complexity of the provisions of the SGP that has been taking place in the course of the past decade of implementation calls for an all-round comprehensive re-examination of the respective legal acts and their interpretation in light of experiences accumulated as well as of the actual evolution of the European and the global economy, characterized by subdued growth, deepening inequalities and increasing uncertainties;

5. Considers that it ought to be advisable to undertake such a re-examination while fully taking into account the requirements for practical implementation of the 2030 Sustainability Development Goals, including whether it would be appropriate to consider replacing the present SGP, founded on the paradigm of fiscal austerity, with an alternative Sustainable Development Pact that would provide the necessary balance, complementarity and mutual enhancement between fiscal prudence and sustainability goals, thus precluding the need to stretch the application of rules to beyond their limits as well as avoiding the ensuing clashes of opinion and assessments as to the consistency and justification of policies.


   [The European Parliament, ]


   24. Welcomes the increased attention given to the euro area’s aggregate fiscal stance, while pointing to the obligations of individual Member States to comply with the Stability and Growth Pact, including full respect of its existing flexibility clauses; emphasises that the concept of an aggregate fiscal stance does not imply that surpluses and deficits in different Member States offset each other;

   25. Is concerned about the low rate of compliance with the CSRs, including those aimed at fostering convergence, increasing competitiveness and reducing macroeconomic imbalances; believes that more national ownership through genuine public debates at national level would lead to better implementation of the CSRs; considers it important to ensure that national parliaments debate country reports and CSRs; believes that regional and local authorities should be better involved in the European Semester process; calls on the Commission to use all existing tools to enforce those CSRs aimed at addressing these challenges, which represent a threat to the sustainability of the monetary union;
### European Parliament resolution of 26 October 2017 on the economic policies of the euro area (2017/2114(INI))

**[The European Parliament, ]**

20. Considers that prudent and foresighted fiscal policies play a fundamental role for the stability of the euro area and the Union as a whole; underlines that strong coordination of fiscal policies, the proper implementation and compliance with the Union rules, including the full respect of its existing flexibility clauses, in this area are a legal requirement and key to the proper functioning of Economic and Monetary Union (EMU);

23. Underlines that the fiscal stances at national and euro-area level must balance the long-term sustainability of public finances in full compliance with the Stability and Growth Pact, respecting its provisions made for flexibility, with short-term macroeconomic stabilisation;

28. Welcomes the Commission’s recommendation to close the Excessive Deficit Procedures for several Member States; welcomes past and ongoing fiscal and reform efforts that have led those Member States to exiting the EDP, yet insists that these efforts will need to continue to ensure sustainable public finances also in the long term, while promoting growth and job creation; calls on the Commission to ensure the proper implementation the Stability and Growth Pact by applying its rules in a consistent manner;

29. Notes that 12 Member States are experiencing macroeconomic imbalances of varying nature and severity, while excessive imbalances exist in six Member States; takes note of the Commission’s conclusion that there are currently no grounds for stepping up the macroeconomic imbalance procedure for any Member State;

30. Highlights that the macroeconomic imbalance procedure (MIP) is aimed at preventing imbalances within Member States with a view to avoiding negative spill-over effects to other Member States;

31. Considers it of essential therefore that all Member States take the necessary policy action to address macro-economic imbalances, in particular high levels of indebtedness, current account surpluses and competitiveness imbalances, and commit to socially-balanced and inclusive structural reforms ensuring the economic sustainability of each individual Member State, thereby ensuring the overall competitiveness and resilience of the European economy.

8. Emphasises the Commission’s role as guardian of the treaties; underlines the necessity for an objective and transparent evaluation of the application and enforcement of commonly agreed legislation;

39. Insists that there should be no differentiated treatment between Member States; notes that only a fiscal policy that respects and follows Union law will lead to credibility and trust between Member States, and serve as a cornerstone for the completion of EMU and the trust of the financial markets;

40. Invites the Commission and the Council to be as specific as possible when addressing fiscal recommendations under the preventive and corrective arm of the SGP in order to increase transparency and enforceability of the recommendations; underlines the need to include in the recommendations, under the preventive arm, both the target date of the country-specific medium-term-objective and the fiscal adjustment required to achieve or remain at it;

51. Invites the Commission and the Council to formulate the country-specific recommendations in a way that makes progress measurable, in particular for cases where the policy recommendation repeatedly targets the same policy area and/or where the nature of the reform requires implementation beyond one Semester cycle;


2. Stresses that at the core of the economic governance system is the prevention of excessive deficit and debt levels and excessive macroeconomic imbalances, as well as the economic policy coordination; underlines therefore that the central question in the review is whether the EMU has been made more resilient by the new economic governance framework, notably as far as its ability to avoid a Member State to default on its debt is concerned, while contributing to closer coordination and convergence of Member States’ economic policies and ensuring a high level of transparency, credibility and democratic accountability;

6. Welcomes the 6- and 2-Packs’ broadening of the scope of the stability and growth pact through the addition of procedures to prevent and correct macroeconomic imbalances inside and among Member States and shift the overreliance on the deficit criterion to attention to both the deficit and the overall debt, thus trying to identify and correct possible problems and preventing the emergence of crises at the earliest stage possible, while at
the same time allowing flexibility in the form of clauses for structural reforms, investments and adverse business cycle conditions; recalls that flexibility cannot endanger the preventive nature of the Pact;

21. Calls for enhanced dialogue between the Commission and the Member States on the content and types of structural reforms most appropriate and effective to be proposed by the Commission in the Country specific recommendations, compatible with the Treaty and secondary law, taking into account cost benefit analysis, result-oriented assessment and timeframe impact, and contributing to the achievement of the MTO;

24. Notes that because it could have led to an exercise to define all kinds of hypothesis with the danger of leaving out the one that will actually happen, the communication does not touch upon the nature of ‘unusual events’ falling outside the control of a Member State which could allow it to temporarily depart from the adjustment path towards achieving its MTO; underlines the need to treat similar situations in similar ways;

30. Believes that the Commission communication clarifies where room for flexibility exists under the existing legislation; welcomes the attempt to shed more clarity into this complicated field and expects the Commission to use the flexibility that is built into the existing rules in line with the communication while ensuring the predictability, transparency and effectiveness of the economic governance framework;

32. Insists that the Annual Growth Survey (AGS) as well as the country-specific recommendations (CSR) must be better implemented and take into account the assessment of the budgetary situation and prospects both in the euro area as a whole and in the individual Member States; suggests that this overall assessment foreseen in Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area should be submitted to a plenary debate of the European Parliament with the Council, the President of the Eurogroup and the Commission prior to the Spring Council and properly implemented throughout the European Semester;

42. Underlines the Commission’s clear differentiation between the preventive and corrective arms of the SGP as regards investment allowing temporary deviation from the MTO, or the adjustment path towards it, within the existence of a safety margin under the preventive arm; calls on the Commission and the Council to be consistent in this domain with the outcome of the co-legislators position regarding the European Fund for Strategic Investments regulation;

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[The European Parliament,]
### Special Reports of the European Court of Auditors: A Rolling Check-list of Recent Findings

5. Expresses concern that most Member States are still losing market shares globally; believes that the EU economy as a whole needs to boost its competitiveness further in the global economy, particularly by increasing competition in the product and services markets in order to enhance innovation-driven efficiency; insists that labour costs should remain in line with productivity, and that wages should contribute to sustained social security systems; stresses that Member States, when having to manage their expenditure according to the requirements of the Stability and Growth Pact (SGP), should reduce current expenditure rather than reducing investment commitments, even though the rules do not take into account the fact that investment expenditure and current expenditure have a different impact on growth; takes note of the Commission communication on making the best use of the flexibility within the existing rules of the Stability and Growth Pact (COM(2015)0012), as it clarifies the procedure and explains the link between structural reforms, investment and fiscal responsibility whilst making the best use of the flexibility which exists within its rules; welcomes the proposal by the Commission to streamline the European Semester; points out that one-size-fits-all approaches in preparing CSRs should be avoided;  

29. Notes the Commission assessment of the Member States’ draft budgetary plans; stresses that the examination of draft budgetary plans should aim at sustainable finance; insists on the importance of applying fiscal rules and on respect for the equal treatment principle;

### Oral / Written Questions

**Failure of the monetary budget policy**, E-003945/2018 Question for written answer to the Commission, Rule 130, André Elissen (ENF), Auke Zijlstra (ENF), 16 July 2018

Last week, the European Court of Auditors issued a scathing report on the Stability and Growth Pact. The pact was introduced to reinforce budgetary discipline in Member States, as a budget crisis in one Member State can cause problems in other Member States.

1. Can the Commission explain to me how it is possible that the ‘measures’ it took against Member States that did not abide by the budget rules have led to a further increase in their debt?  
2. Is it not embarrassed by the report from the Court of Auditors? Which measures did it take or does it intend to take on the basis of the recommendations in the report?  
3. Why is it still continuing with the Stability and Growth Pact if it is clear to everyone that a monetary union with accompanying budget rules does not work or is even counterproductive?  

**Limits on flexibility in assessing the development of the structural balance of budgets in the EU**, E-004162/2016, Question for written answer to the Commission, Rule 130, Luděk Niedermayer (EPP), 24 May 2016
The preventive arm of the Stability and Growth Pact (SGP) requires countries to make progress towards the medium-term budgetary objective (MTO) by reducing the structural deficit by at least 0.5% per year. In checking compliance with that rule, the Commission has a certain degree of flexibility; however, the aim of the mechanism is undoubtedly to guide the smooth, economically rational progress of countries towards their MTO.

My question concerns the limits to that flexibility in the context of structural deficit developments in Slovakia. An examination of the data for Slovakia shows that over the last three years its nominal deficit was very close to the 3% value, whilst the growth rate of its economy increased. At the same time, the structural deficit increased in 2014 by almost 0.3% and in 2015 there followed a further deterioration to a value of close to 3%. Slovak politicians maintain that this budget development is in line with SGP rules.

1. Do the budget developments in Slovakia correspond to the objectives which the SGP changes monitored?
2. What reasons have led the Commission to conclude that such budgetary developments, which from 2013 to 2015 at first sight moved away from the MTO even in spite of improved economic growth, meet the requirements for reduction of the structural deficit in excess of the MTO?
3. Does the Commission not think that doing nothing about, or indeed approving, such a budget development will lead to a risk of non-compliance with the agreed rules, as was the case a decade ago (in the cases of France and Germany)?

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Legislative proposal on one of the Two Pack regulations, answer E-004058-15, Question for written to the Commission, Rule 130, Ernest Urtasun (Verts/ALE), 12 March 2015

In Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (one of the Two Pack regulations), the Commission refers to its intention to report on the possibilities offered by the EU’s existing fiscal framework to balance productive public investment needs with fiscal discipline objectives as part of the preventive arm of the Stability and Growth Pact. Former commissioner Olli Rehn sent a letter outlining a very small number of common principles in this area.

1. Will the Commission use this legal mandate to issue a fully fledged communication on the subject?
2. What is the Commission’s view on the revision of the Six Pack?
3. Is the Commission considering putting forward any legislative proposals?

******

Enforcement of fiscal rules by the Commission, E-008432-16, Question for written answer to the Commission, Rule 130, Dimitrios Papadimoulis (GUE/NGL), 08-11-2016
German Finance Minister Wolfgang Schäuble said on 28 October 2016 that the Commission, as a primarily ‘political’ institution, finds it hard to enforce compliance with States’ obligations under the Stability and Growth Pact and therefore suggests that this role be assigned to the ESM. EU Economic and Financial Affairs Commissioner, Pierre Moscovici, has objected to Mr Schäuble’s suggestion, pointing out that under the current Treaties, the Commission is obliged to keep this role. However, in light of the fact that the concept of ‘depoliticising’ EU institutions is constantly being revisited by some individuals who narrow-mindedly insist on unilateral austerity:

1. What is the Commission’s view on the comment that ‘the Commission places greater emphasis on politics rather than adherence to rules, therefore its role must be taken on by the EMS’?
2. How will it address tense macroeconomic balances, as adherence to rigid rules that do not take the individuality of Member States into account proves to be unenforceable?

*****

Statements by President Juncker on the rules of application of the Stability Pact, E-005119-16, Question for written answer to the Commission, Rule 130, Marco Zanni (EFDD), 24-06-2016

In recent weeks in Paris, on the fringes of the Congress of French mayors, European Commission President Juncker, when asked why France has continually been granted derogations from the Stability Pact, said that he was willing to continue granting these ‘as it is France’ and that the Stability and Growth Pact must not be applied blindly, but must take context and a whole series of factors into account.

1. Can the Commission better clarify the meaning of this statement?
2. Does it consider that these statements confirm the ineffectiveness and unsustainability of the Stability and Growth Pact and the Economic and Monetary Union, making it necessary to completely revise and surpass them?

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Assessment of 2015 draft budgetary plans in the context of the Stability and Growth Pact, P-008634-14, Question for written answer to the Commission, Rule 130, Alexander Graf Lambsdorff (ALDE), 03-11-2014

On 28 October 2014, Jyrki Katainen, the Commission Vice-President for Jobs, Growth, Investment and Competitiveness, confirmed to all 18 eurozone countries that their 2015 preliminary draft budgets were not in serious non-compliance with the Stability and Growth Pact.
1. What would constitute ‘particularly serious non-compliance’ with the budgetary policy obligations laid down in the Stability and Growth Pact within the meaning of Regulation (EU) No 473/2013 of 21 May 2013?

2. What specific measures by France and Italy contributed significantly to their positive reassessment, after they had previously been urged by the Commission to make improvements?

3. Will the Commission allow France and/or Italy more time to reduce their deficits if either or both are unable to meet the requirements of the Stability and Growth Pact for 2015? Does the Commission believe that such a decision would enhance public and market confidence in the Stability and Growth Pact?

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**Flexibility within the Stability and Growth Pact**, E-008405-14, Question for written answer to the Commission, Rule 130, Renato Soru (S&D), 27-10-2014

In a letter sent yesterday, the European Commission informed the Italian Government that Italy’s Draft Budgetary Plan for 2015 ‘plans to breach Italy’s requirements under the preventive arm of the Stability and Growth Pact (SGP)’. The preventive arm of the SGP permits Member States to deviate from their medium-term budgetary objectives to allow for transitional costs incurred by structural reforms, and both the preventive and the corrective arms of the SGP specify that ‘exceptional and temporary’ deviations will not result in a country being subjected to the Excessive Deficit Procedure. Lastly, according to a letter sent to finance ministers by Vice-President Rehn on 3 July 2013, the Commission will consider allowing ‘temporary deviations from the structural deficit path’ on a case-by-case basis.

1. In light of the above, can the Commission clarify the nature of both the economic and the political assessments used to judge whether a Member State is to be allowed to deviate from the SGP?

2. Who within the new Commission is responsible for conducting these assessments?

3. Finally, how does the Commission intend to reduce discretion, to increase the transparency of these assessments and to ensure that maximum flexibility is applied within the rules, as was also advocated by numerous new Commissioners during their recent hearings?
Special report 19/2018 of 26 June 2018

A European high-speed rail network: not a reality but an ineffective patchwork

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Summary

Summary of questions asked, findings and recommendations

Questions asked:
The Court analysed the cost-efficiency and effectiveness of EU co-funding for high-speed rail infrastructure investments since 2000. It assessed:

1. Whether high-speed lines in the EU had been built according to a long-term strategic plan;
2. Whether high-speed rail projects had been implemented in a cost-efficient manner (by assessing construction costs, delays, cost overruns and use of high-speed lines which received investment support);
3. Whether the investments were sustainable after project completion (including the impact of high-speed rail on competing transport modes), and
4. Whether EU co-funding had added value.

Findings:

1. EU co-funded investments in high-speed rail can be beneficial, but there is no solid EU-wide strategic approach.
|   | a) High-speed rail is a beneficial mode of transport which contributes to the EU’s sustainable-mobility objectives  
|   | b) The Commission’s powers are limited, and its plan to triple the length of the high-speed rail network is unlikely to be achieved  
|   | c) Member States plan and decide on their national networks, leading to a patchwork of poorly connected national high-speed networks  
|   |   |
| 2. Decision-making lacks reliable cost-benefit analyses | a) “Very high speed” is not needed everywhere  
|   | b) Cost-efficiency checks are rare  
|   | c) Cost-benefit analyses are not used as a tool for decision-making in the Member States  
|   | d) Cost overruns, construction delays and delayed entry into service: a norm instead of an exception  
|   |   |
| 3. A citizen’s view: a real-life assessment of travel times, prices and connections, of passenger-services and of stations and their catchment area | a) Travel times and ticket prices, are important factors for success  
|   | b) Further improvements needed to rail ticketing, and in monitoring passenger-services data  
|   | c) The number and location of stations are both important  
|   |   |
| 4. High-speed rail sustainability: effectiveness of the EU co-funding at risk | a) Passenger data analysis: three of the seven completed high-speed rail lines carry fewer passengers than the benchmark of nine million per year  
|   | b) Catchment-area analysis of the number of people living along the lines: nine of 14 audited high-speed lines and stretches do not have sufficient high number of potential passengers  
|   | c) The competitiveness of high-speed rail compared to other modes of transport: there is no “polluter-pays” principle yet  
|   |   |
| 4. Seamless and competitive cross-border high-speed rail operations: not yet universal | a) With many barriers still existing, there is a long way to go before markets become open and competitive on high-speed lines in the EU  
|   | b) Track access charges: overly complicated, and a potential hindrance to competition  
|   | c) A strong and independent regulator: necessary, but not always a reality  

Recommendations:
The auditors recommend that the Commission:

1. carry out realistic long-term planning;
2. agree with Member States which key strategic stretches to implement first, with an assessment of the need for very high speed lines, close monitoring and enforceable powers to ensure that commitments to complete the core EU high-speed rail network are respected;
3. link EU co-funding to earmarked strategic priority projects, effective on-track competition and achievement of results;
4. simplify cross-border tendering procedures, use “one-stop-shops” for the various formalities, and lift all remaining administrative and regulatory barriers to interoperability;
5. improve seamless high-speed rail operations for passengers, by, for example, e-ticketing and simplification of track access charges;

CONT Committee Working Document; Rapporteur


Rapporteur: Joachim Zeller (EPP)

[Recommendations by the rapporteur,]

1. Welcomes the Court’s special report on the European high-speed rail network;
2. Shares the Court’s views and supports its findings;
3. Takes note with satisfaction that the Commission will implement the Court’s recommendations;
4. Underlines that the chances to improve the situation remain slim unless Member States show the political will to improve the situation;
5. In this context, points to the important role of the “European Coordinators” in this area (TEN-T);
6. Recalls the mandate of the European Coordinators, which comprises
   • drawing up the relevant corridor work plan (together with the Member States concerned) or the work plan for a horizontal priority;
• supporting and monitoring implementation of the work plan; as and when necessary, highlighting difficulties and looking for appropriate remedies;
• regularly consulting the corridor forum (a consultative body bringing together Member States and various stakeholders);
• making recommendations in areas such as transport development along corridors or access to financing / funding sources;
• annual reporting to the European Parliament, Council, Commission and the Member States concerned on the progress achieved;

7. Insists that value added be generated when cross-border projects are co-financed from European structural funds, and in particular from the Connecting Europe Facility; with the view to finally overcoming political and infrastructural when linking European regions by high-speed rail connections;

8. Reminds the Commission that freight rail transport is decreasing across Europe and that freight transport runs on lower-speed tracks than passenger trains; calls therefore on the Commission to analyse thoroughly whether rail traffic is primarily used for passenger or freight transport and adapt co-financing accordingly considering the specific needs for each rail connection.

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<td><strong>[The European Parliament, ]</strong></td>
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<td>65. Calls, with regard to rail transport, for:</td>
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<td>• a detailed analysis of the reasons for which the European railway area is characterised by a large number of missing links across the borders of Member States; calls for measures and incentives by the Commission for the revitalisation as a matter of the highest urgency of local, regional and national trans-border rail connections that were dismantled or abandoned during WWII and the post-war area, despite their economic interest or usefulness to the public, as well as urgent construction of those that have been planned but not completed, so as to remove existing bottlenecks and missing links in cross-border regions; revitalisation and maintenance of secondary railway lines which feed into national core networks and European corridors; initiatives to find new functions for disused networks, such as transporting freight or providing new services for tourists,</td>
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<td>• approval as a priority of EU-funded infrastructure projects that complete the rail network which is part of the TEN-T core network and of the projects approved under the CEF,</td>
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<td>• expanding the role of the Commission in order to achieve the effective and speedy completion of the TEN-T railway corridors, which have been planned but postponed by Member States in spite of their usefulness in social and economic terms,</td>
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### Oral / Written Questions

**Squandering of money on high-speed railway lines**, P-003532-18, Question for written answer to the Commission, Rule 130, André Elissen (ENF), 18-06-2018

According to the European Court of Auditors, high-speed rail projects in the European Union are often nothing short of a disaster. The construction of the lines costs European taxpayers pots of money, and is virtually always hugely delayed, and passengers hardly use the tracks that have been built, if at all.

The Commission has the out-of-touch ambition to see the European Union create a high-speed railway network of no less than 30,000 km by 2030, i.e. about twelve years from now.

1. Who is responsible for the constant failures of the Commission in relation to the construction of high-speed railway lines, and what measures have been taken to prevent further failures, as far as possible?
2. Since 2000, more than EUR 23.7 billion of European taxpayers’ money has been spent on co-financing. Does the Commission still maintain that this investment has been effective?
3. Why, despite all the warnings from the European Court of Auditors, the innumerable delays and the huge waste of taxpayers’ money, is the Commission persisting with its crazy target of 30,000 km of high-speed railway lines in the Union?

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**EU subsidies for high-speed railway lines**, P-005034-18, Question for written answer to the Commission, Rule 130, Peter van Dalen (ECR), 01-10-2018

In its Special Report No 19/2018, the Court of Auditors of the EU shows that European funding for the development of a European network of high-speed railway lines is being used inefficiently and ineffectively. Between 2000 and 2017, EUR 23.7 billion was spent from European funds. European added value has hardly ever been taken into account as a criterion for that expenditure; nor have the TEN-T objectives. By far the largest part of the European funding has gone to Spain. Yet Spain’s high-speed rail network is the least viable in Europe.

1. How will the Commission comply with the recommendations from the above report, which it has itself accepted?
2. How does the Commission intend to ensure that future investment in high-speed lines creates European added value and contributes to cross-border transport links?
3. The report of the Court of Auditors clearly shows that some Member States do not conduct any cost-benefit analyses before building high-speed railway lines. Will the Commission submit a proposal to make cost-benefit analyses compulsory before any application for EU funding of infrastructure projects is submitted?
Lack of investment in the Mediterranean Corridor and complaint by the European Court of Auditors in 2018 about the inefficiency of the Spanish high-speed rail network, E-004472-18, Question for written answer to the Commission, Rule 130, Ramon Tremosa i Balcells (ALDE), 03-09-2018

The European Court of Auditors has complained that the Spanish high-speed rail network in which the EU has invested is inefficient, with cost overruns and a lack of passengers; more specifically, it states that: ‘Almost half of the EU funding made available for high-speed rail investments (more than 11 billion euro) was allocated to investments in Spain’.

The Court goes on to state: ‘Spain will have the second-longest high-speed rail network in the world, after China’ (4) and ‘Spain has the highest construction cost per capita (1 159 euro) and the highest EU co-financing for high-speed rail per capita (305 euro)’ (5).

In 2016, the Court of Auditors had criticised (E-004697/2016) the delays in the construction of rail links with Spanish ports and the lack of investment in the Mediterranean Corridor projects, shortcomings that had also been identified by the European coordinator for the Mediterranean Corridor (E-011826/2015).

1. Will the Commission say whether Spain is complying with the work plan put forward by the European coordinator?
2. What measures does the Commission envisage taking to ensure that European public money is really used to build efficient infrastructures that have a multiplier effect for the economy?
3. What measures does the Commission intend to take against those Member States singled out by the EU Court of Auditors for wasting public money?

High-speed rail project in Murcia, E-003157-18, Question for written answer to the Commission, Rule 130, Florent Marcellesi (Verts/ALE), 12-06-2018

On 16 February 2011, the Spanish authorities, through the country’s rail infrastructure agency (ADIF), awarded a contract for the drawing-up of a basic trackbed plan for the city of Murcia’s mainline rail network to a joint venture partnership comprising three companies: Proyectos y Servicios, Euroconsult and M&K Ingeniería Civil. The contract was awarded on the basis of various reports and the environmental impact statement.
On 3 February 2012 the contract to draw up the plan — involving the completion of work listed in the ‘Report on the plan to restructure the city of Murcia’s mainline rail network’ — was terminated. That plan included the placing of lines underground. The plan was then changed, with a proposal for an overground line running into the city. Given that significant changes have been made to the original plan, and that therefore a fresh environmental impact assessment is required:

1. What steps is the Commission intending to take to make sure that environmental impact directives are complied with?
2. Is the Commission aware that European Parliament and Council Directives 2014/23/EU and 2014/24/EU of 26 February 2014 have only partially been transposed by the Spanish Government? If they had been properly transposed, it would not have been possible to put additional building work out to tender.

Related to Spain:

- Construction of an underground section for the high-speed rail line in Murcia — ERDF funds under the OP-Murcia 2014-2020, E-005926/2017
- Fraud in management of funds for construction of the Bobadilla-Granada high-speed rail link, E-001213/2017
- High-speed train infrastructure and territorial segregation of Murcia — role of ERDF funds under the OP-Murcia 2014-2020, E-005927/2017
- New high speed rail link between Santiago de Compostela and Vigo, E-007267/2015
- Deregulation of Spanish high speed rail network, E-001845/2015
- Irregularities and cases of corruption linked to the construction of high-speed rail lines in Spain, E-000741/2015
- Irregularities in the construction of the high-speed rail network in the Basque Country and Navarre, E-000739/2015
- Viability of the high speed rail network in Spain: high-speed rail network not viable says Head of Adif - Commission data, E-007831/2014
- Changes to high-speed rail works in Murcia, E-007365/2014
- Changes to the Antequera-Bobadilla-Granada high-speed rail link project, E-007296/2014
- Funds for the Vigo-Oporto high-speed rail link, E-006533/2014

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High-speed rail strategy in the EU, E-004343-18Question for written answer to the Commission, Rule 130, Pavel Telička (ALDE), 27-08-2018
This June, the European Court of Auditors adopted a special report entitled ‘A European high-speed rail network: not a reality but an ineffective patchwork’. I find its conclusions extremely concerning, not least the observation that the sustainability of EU co-funding is at risk for want of a coherent EU-wide strategy on the development of high-speed rail. Although the EU has invested and continues to invest a lot in its development and modernisation, the market is failing to deliver efficient cross-border connections. The sector is at a pivotal moment, with ongoing legislative work on the next MFF, the TEN-T procedures and rail passengers’ rights, and with competition for commercial passenger services soon to be implemented.

In view of the above:

1. What initiatives will the Commission take to address the risk of EU funding becoming unsustainable?
2. Does the Commission share the view that EU investment in a high-speed rail network is only worthwhile if it is conceived at EU level and beyond the rationale of each Member State, and that it may now be time to establish a rail strategy for Europe?
3. If so, what steps will the Commission take to achieve a vision for a European rail network?

More question triggered by the Court’s report:

- Court of Auditors’ report on high speed rail, E-004053/2018
- EU high-speed rail network, E-003980-18
- EU high-speed rail network, E-003980/2018
- High-speed rail lines in Spain are ineffective, E-003870/2018
- Complexities of the European high-speed rail network, E-003741/2018

Corruption and major projects in Italy, E-008084-16, Question for written answer to the Commission, Rule 130, Marco Valli (EFDD), Laura Agea (EFDD), Tiziana Beghin (EFDD), Eleonora Evi (EFDD), Laura Ferrara (EFDD), Dario Tamburrano (EFDD), Marco Zanni (EFDD), 27-10-2016

A joint operation carried out by the carabinieri and Italian finance police, which was covered by various journalistic sources on 26 October, has shed light on yet another case demonstrating the increasingly common link between corruption and major projects in Italy. The investigation, which was named ‘Amalgama’ and coordinated by the Public Prosecutor of Rome, uncovered corrupt conduct in securing subcontracts for the following
public projects: the high-speed train (TAV) line between Milan, Genoa and Terzo Valico dei Giovi, the sixth ‘Macrolotto’ of the A3 motorway between Salerno and Reggio Calabria, and Pisa’s People Mover monorail linking Galileo Galilei airport to the city’s main railway station. Arrests were made and a series of searches carried out in Lombardy, Lazio, Liguria, Tuscany, Piedmont, Abruzzo, Umbria and Calabria with a view to obtaining various pieces of documentation. The charges range from corruption and attempted extortion to criminal conspiracy. In light of the above, can the Commission say whether:

1. It is aware of this situation;
2. European funds are involved and, if so, what the total amount is;
3. It intends to alert OLAF in order to trigger a more in-depth investigation?

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Financial viability of the high-speed train (TGV), E-006069-15, Question for written answer to the Commission, Rule 130, Tania González Peñas (GUE/NGL), Pablo Iglesias (GUE/NGL)

Podemos is concerned about the financial viability of the TGV in the Basque Country due to the cumulative cost overruns incurred by the works for the so-called ‘Basque Y’, which make the project ever more dubious and uncertain. These cost overruns have occurred when the huge investment required for the infrastructure, the superstructure, the approaches to the provincial capitals, the stations along the line and the end of the line is still pending. We therefore consider it reasonable for an opportunity cost analysis to be carried out with respect to the option of withholding the remaining funds to complete the project, taking into account all the costs, including the construction and operating costs and the environmental, territorial and social ramifications, involved in completing it.

1. In this regard, bearing in mind that France has suspended the construction of the Bordeaux — Hendaye line, would the Commission consider it appropriate to commission an independent study on the financial viability of the ‘Basque Y’, including a general cost/benefit analysis, and on whether or not this project should continue to receive public funding?

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Other questions:

- Financial viability of the high-speed train (TGV), E-006069-15
- State of deployment of high-speed rail lines in Europe, E-013230-15
- Brescia-Padua high-speed rail link, E-011332/2015
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<td>• Monitoring progress of high-speed rail construction works, E-000737/2015</td>
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<td>• Funds from the 'Juncker Plan' for investment in high-speed rail lines, E-000736/2015</td>
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**Special report 20/2018 of 18 September 2018**

**The African Peace and Security Architecture: need to refocus EU support**

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**Short summary of questions asked, findings and recommendations**

**Questions asked:**

The audit examined whether the EU had provided effective support for the African Peace and Security Architecture (APSA). To do so, three sub-questions were set out:

(a) Has EU support for the APSA been designed and targeted well?

(b) Has EU support for the APSA contributed to achieving sustainable results?

(c) Has EU support for the APSA been implemented well?

The audit covered EDF expenditure made through the African Peace Facility (APF) and the Regional Indicative Programmes (RIPs). It examined EU support from 2014 onwards and referred to evaluations and assessments of previous activities where available and relevant. It audited all of the 14 contracts concluded by the Commission in the period from 2014 to 2016.

**Findings:**

1. **EU support remained focused on operational costs**

   a) The EU’s support for APSA was conceived on the basis of a strategic framework

   b) APSA’s funding depends on donors’ contributions

   c) EU financed operational costs with no plan for refocusing support
d) The allocation of EU support was not sufficiently prioritised  
e) Risks associated with allocating more funds to regional organisations

2. Despite EU support, the APSA faces several challenges and its operation depends on continued external support
   a) the APSA has been for many years heavily dependent on the support of donors  
   b) the quality of the capacities of APSA components varies considerably and several challenges remain  
   c) Threats to the sustainability of results

3. The implementation of EU support was affected by delays, incoherent use of financing instruments and insufficient information on results achieved
   a) Delays in contracting and retroactive financing impaired the implementation of planned activities  
   b) Financing instruments were not always used coherently  
   c) Monitoring and reporting mechanisms were set up, but did not provide sufficient information on results.

Recommendations:
1. By the end of 2020, the EEAS and Commission should jointly develop a clear, long-term vision of EU support for the APSA, in order to:
   • progressively decrease and eventually phase out EU support to APSA’s basic operational costs in favour of well-targeted capacity-building programmes, and  
   • link capacity-building support for the APSA to improvements in the way in which the AU and the SROs operate,  

and closely monitor the implementation of the AUs commitment to achieve financial independence.

2. By the end of 2019, the Commission should:
   • further reduce delays in contracting, and avoid the use of retroactive financing;  
   • base the contractual monitoring and reporting on specific and measurable results, with indicators allowing to measure progress achieved;  

• increase the “results-oriented monitoring” of the APSA’s capacity-building programmes, and evaluate them more often, and
• perform a comparative analysis of the available financing instruments in the area of peace and security and use them coherently.

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2. Acknowledges that the EEAS and the Commission are facing highly complex situations in Africa with numerous political and operational challenges and constraints in many domains, notably the cooperation of main stakeholders, the funding and shortcomings of the institutions, the political willingness to intervene, prevent and manage conflicts;

3. Is aware of the complexity of the institutional framework at stake for addressing conflict prevention and promoting peace and security with the African Union, the African Peace Facility (APF), sub-regional organisations (SROs), regional economic communities (RECs) and regional mechanisms for conflict prevention, management and resolutions (RMs);

4. Notes with concern that the APSA suffers from a strong dependency on external financial sources (due to the Member States’ low contribution to the Peace Fund and limited additional funding attracted by the APSA from alternative sources of finance);

5. Regrets that this absence of African ownership and financial sustainability with a high dependency on donors and international partners leads to operational shortcomings notably with staffing issues i.e. the presence of few qualified staff or military experts dealing with the core missions of peace and security on the African continent;

6. Believes that, although EU support for APSA is designed on the basis of a strategic framework defined in roadmaps, appropriate coordination of donors should be constantly sought;

7. Regrets also that the EU support is mainly focused on basic operational costs with a lack of long term plan; highlights the necessity to move away from supporting costs of the APSA by the EU and to support clear long-term prospects and objectives contributing to the Africa’s stability and, more broadly, the AU-EU partnership;
8. Recalls the importance of fostering capacity building plan, operational capacity of the AU and SRO’s coupled with a better coordination framework between all actors with the view to optimising as much as possible the coherence of activities and results of the EU support at longer term;

9. Is seriously concerned by the insufficiencies of monitoring systems with regard to its capability to provide adequate data on the results of activities; asks the Commission to increase the evaluation system’s capability of activities and performance to clearly show that EU contributions can be mostly linked to tangible and positive effects on peace and security on the ground;

10. Points out, as a core principle, that the monitoring system has to be developed in order to collect and analyse data/indicators at activity, output, specific objective and strategic objective levels in order to assess the effective implementation of the agreed APSA roadmap, its relevance and sustainability; 11. Invites the Commission’s services to launch a ‘Results-Oriented Monitoring’ mission (ROM) and to report to Parliament as soon as possible.

Related EP Reports / Resolutions of other committees

**European Parliament resolution of 27 April 2017 with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the eighth, ninth, tenth and eleventh European Development Funds for the financial year 2015 (2016/2202(DEC))**

[The European Parliament,]

88. Notes that the African Peace Facility (APF) is the Union financial instrument designed to support cooperation with Africa in the area of peace and security with a total in 2015 of EUR 901,2 million committed, of EUR 600 million contracted and a total amount paid under the eleventh EDF; notes that around 90 % of the APF funds are managed via agreements signed with the African Union Commission which is the implementing body of the African Union;

89. Notes that the Commission does not trust the implementation of the APF, which has been operational for years; in this context it is surprised by the proposal of the Commission to divert even more development funds to security actions in Africa; underlines also that the financing of the APF from the EDF has been a provisional solution for 15 years now; stresses that development funding has made a very important financial contribution to African security policies over all those years whereas Union security spending for development purposes is non existant;

90. Deplores the fact that the control system for the management and operational monitoring of the APF was not effective in protecting the EDFs against illegal and irregular expenditure and the implementation of the mitigating measures was inadequate to remedy the institutional weaknesses identified; regrets also the weaknesses in the monitoring and reporting systems on the funded APF activities;
91. Expresses its concern that the results of the pillar assessments carried out according to the Financial Regulation requirements were not taken into account, namely concerning the non-compliance of the accounting, procurement and sub-delegations processes; regrets that corrective measures have not been implemented more quickly;

92. Invites the Commission to adapt the governance, coordination and respective responsibilities of stakeholders involved (i.e. the Commission services, the European External Action Service and the Union delegations) in the monitoring of the APF funding and reporting on its ongoing projects;

93. Asks to the Commission to report in due course to Parliament on the corrective measures, level of recoveries and improvements in the management of funds by the APF.

* * * * *


(The European Parliament, )

8. Welcomes the fact that the new African Peace Facility action programme addresses shortcomings, and places stronger emphasis on exit strategies, greater burden-sharing with African countries, more targeted support and improved decision-making procedures;

25. Calls for a concerted effort towards capacity-building by the EU and the UN; believes the current funding programme is unsustainable, and that conditions should be attached to the African Peace Facility in order to encourage the AU to increase its own contributions to PSOs.

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According to the report by the European Court of Auditors (No 20/2018) entitled 'The African Peace and Security Architecture: need to refocus EU support', the aid has little effect. Focused for a long time on contributing to the basic operational costs of this architecture, this EU support has purportedly not contributed to capacity building. According to the report, this situation is partly explained by the fact that some African Union Member States do not pay their contribution.

What does the Commission intend to do to address this situation and allow funds to be used for capacity building measures?

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VP/HR — Financing of the African Peace Fund, E-005490/2018, Question for written answer to the Commission, Rule 130, Louis Michel (ALDE), 26-10-2018

According to the Chair of the Peace and Security Council of the African Union, Lazare Makayat Safouesse, the aim of the African Peace Fund is to allow the African continent to meet its challenges independently. He has said that ‘all African countries will take part in it to find African solutions for African problems’.

The fund, which aims to secure the deployment of an African peacekeeping force, is currently 25% funded (USD 55 million). However, additional funds are needed before it can become fully operational.

Does the EU intend to support this call for additional funding when the Security Council adopts a resolution on this matter in December?

EU steps up its support to Central Africa, E-011026/2015, Question for written answer to the Commission, Rule 130, Pablo Iglesias (GUE/NGL), 09-07-2015

On the 23 June 2015, the European Commissioner for International Cooperation and Development, Neven Mimica, signed the Central African Regional Indicative Programme (RiP) on the 11th European Development Fund (EDF) for an amount of EUR 350 million from 2014 to 2020.

The programme, whose implementation will be monitored by a steering committee, will cover three areas:

1. political integration and cooperation in peace and security;
2. regional economic integration and trade,
3. the sustainable development of natural resources and biodiversity.

Looking specifically at the programme for the area of ‘political integration and cooperation in peace and security’, under which EUR 211 million will be allocated (of which EUR 135 million will go through the Infrastructure Trust Fund), what conditions has the Commission set in exchange for this funding? What is the estimated impact that this will have on the region?

Has the Commission drafted guidelines as to what would be considered an appropriate usage of the funds?
Special report 21/2018 of 4 September 2018

Selection and monitoring for ERDF and ESF projects in the 2014–2020 period are still mainly outputs-oriented

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<th>Policy Area</th>
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<td>Special report 21/2018 of 04-09-2018: Selection and monitoring for ERDF and ESF projects in the 2014–2020 period are still mainly outputs-oriented</td>
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<td>Short summary of questions asked, findings and recommendations</td>
<td>Questions asked:</td>
<td>Were the selection of projects and monitoring systems for ERDF and ESF projects in the 2014-2020 programme period results-oriented?</td>
<td>Findings:</td>
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<td>1. Project selection is insufficiently focused on results</td>
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<td>a) The selection procedures support the selection of projects relevant to OPs’ objectives</td>
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<td>b) The focus on results when assessing project applications was weak, and seldom included quantified results</td>
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<td>c) Beneficiaries were encouraged to apply for funding</td>
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<td>d) Selection procedures did not usually involve any comparison between project applications, resulting in a risk that the best projects will not be selected</td>
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<td>2. The quality of monitoring data is at risk, and it is mostly outputs-oriented</td>
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<td>a) Assurance on the quality of monitoring data may not be provided in time for the 2019 performance review</td>
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<td>b) The information generated on the basis of the data collected is still mostly outputs-oriented</td>
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**Recommendations:**

1. In order to ensure a consistent and genuine results-oriented approach to the selection of projects, Member States should ensure that a comparison between project applications takes place, require beneficiaries to define at least one genuine result indicator for each project and carry out an assessment of the expected results and indicators in the assessment report for the applications.

2. In order to ensure results-oriented monitoring, Member States should include one or more genuine and quantified result indicators in the grant agreement, which contribute to the result indicators set at OP level, and the Commission should define common result indicators for the ERDF based on a common definition of “results”.

3. To improve the Commission’s reporting on performance and to carry out a meaningful performance review with reliable data and realistic milestones, the Commission should:
   a) Have an overview of the main weaknesses in and uncertainties about the OPs’ monitoring systems based on audits by both the Commission and the AAs (the necessary systems audits/performance-reliability audits);
   b) Ensure that OP amendments requested by Member States relating to justified revisions of milestones of the performance framework are processed in time for the performance review.
   c)  


Rapporteur: Georgi Pirinski (S&D)

Recommendations by the Rapporteur

1. Welcomes the Court’s Special Report 21/2018, and calls on the Commission and Member States to implement the Court’s recommendations;
2. Is concerned that the low implementation rates in the middle of the current programming period put in danger the achievement of results which are most urgently needed in the areas supported by the ERDF and ESF, and thus delays the expected effect of the EU budget investments for cohesion and reducing regional disparities;
3. Calls, therefore, on the Commission to assist Member States in speeding up the absorption of ESIF and to strengthen its monitoring and performance assessment of ESIF in order to ensure that these funds contribute to the achievement of the objectives of cohesion policy and the Europe 2020 Strategy targets;
4. Urges the Commission to take all necessary measures to address the identified shortcomings in the current ESIF performance framework, as well as to use the lessons learnt from the 2014-2020 period in order to improve the performance framework for the next period and to ensure that clear rules are provided for indicators, monitoring and evaluation of achievement of results;
5. Calls on the Commission to ensure a smooth and uninterrupted process of monitoring and reporting of results’ achievement during the transition period to a new College of Commissioners, as well as to ensure that the results-oriented performance of ESIF at the end of the programming period will not be weakened by pressing accelerated absorption;
6. Takes note of the replies of the Commission that its legislative proposal for the post-2020 programming period includes a list of common results indicators for the ERDF, the Cohesion Fund and the ESF;
7. Is, however, concerned that the Commission’s legislative proposals for the ERDF, the Cohesion Fund and ESF do not include provisions which allow “actions determined in accordance with sector-specific rules”, as stipulated in the definitions of “result” and “output” in the Financial Regulation, to be identified as results envisaged to be achieved and consequently to be measured with result indicators under these funds;
8. Asks the Commission to address this shortcoming and to ensure that any negative effect for the establishment of the performance framework by Member States for the 2021-2027 programming period will be avoided;
9. Deeply regrets that the Commission has failed to present a comprehensive proposal for a post 2020 EU Political Strategy which would provide milestones for the next MFF objectives as well as the necessary orientation for Member States to pursue results that contribute to common EU priorities and the achievement of a more coherent and cohesive Union.

### Related EP Reports / Resolutions of other committees

**European Parliament resolution of 16 January 2018 on the implementation of EU macro-regional strategies (2017/2040(INI))**

*The European Parliament,*

31. Stresses that greater result-orientation is required and concrete challenges need to be met, including in the area of environmental protection, in order to develop plans which have a real impact on the territory, and to justify the investment of resources, which should, for its part, be commensurate with the objectives set, and relate to the true needs of the territories concerned;

33. Is of the opinion that the visibility and public perception of the activities of the macro-regions in the regions targeted, as well as the results achieved, need to be enhanced by carrying out information campaigns and exchanges of best practices, including through online platforms and social networks, thus making them easily a

36. Calls on the Commission, as part of the next report on the implementation of MRS which is due in 2018, to undertake a more in-depth analysis, including in particular on:

(b) indicators which could be integrated in each MRS in order to allow better result-orientation, monitoring and evaluation;
European Parliament resolution of 17 April 2018 on strengthening economic, social and territorial cohesion in the European Union: the 7th report of the European Commission (2017/2279(INI))

The European Parliament,

33. Supports a shift in cohesion policy towards a greater focus on results and content, moving away from an accounting-based approach towards one which focuses on performance and allows managing authorities more flexibility as to how to achieve targets, while respecting the principles of, inter alia, partnership, transparency and accountability;


The European Parliament,

7. Welcomes the Commission’s intention to design the future EU budget on the basis of the principles of EU added value, a focus on performance, accountability, greater flexibility within a stable framework and simplified rules, as presented in the reflection paper;

8. Stresses, in this context, the importance of a thorough evaluation of the efficiency and effectiveness of current EU policies, programmes and instruments; looks forward, in that respect, to the results of the ongoing spending review and expects them to be taken into account in the design of the post-2020 MFF; underlines, in particular, the need to ensure the success rate of highly oversubscribed EU programmes on the one hand, and to determine the reasons for under-implementation on the other; considers it important to achieve synergies between the EU budget and the national budgets, and to provide for the means to monitor the level and performance of spending at national and EU level;

European Parliament resolution of 18 January 2018 on the implementation of the Youth Employment Initiative in the Member States (2017/2039(INI))

The European Parliament,
X. whereas the cost-effectiveness of the YEI and the ultimate goal of the YG to have young people entering sustainable employment can only be achieved if operations are properly monitored on the basis of reliable and comparable data, if programmes are result-oriented, and if adjustments are made in cases where ineffective and cost-intensive measures are detected;

10. Takes the view that the monitoring of the YEI needs to be backed up by reliable data; considers the monitoring data and results available at present insufficient to carry out an overall assessment of the implementation and results of the YEI as the main EU financing vehicle for YG schemes, in particular as a result of the initial delays in the setting up of operational programmes by Member States and the fact that they are still in the relatively early stages of implementation; insists on the need to maintain youth employment as one of the priorities of EU action; is concerned, however, at the findings of the recent ECA report on the impact of the YEI and YG as Union policies aimed at tackling youth unemployment, while bearing in mind its limited territorial and temporal scope;

69. Calls for a focus on YEI results through the definition of concrete indicators relating to new services and labour market support measures established through the programme in the Member States and the number of permanent contracts offered;

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The European Parliament,

E. whereas there is space for improving the monitoring and evaluation of technical assistance despite the emphasis on more result orientation in the 2014-2020 programming period and the fact that almost half of this period has elapsed;

10. Recalls the importance of adequate and targeted indicators fit for measuring the results and impacts of ESI Funds spending and the availability of technical assistance for respective monitoring; considers that the introduction of common indicators was a first step in this direction, but was accompanied by a number of deficiencies, such as the excessive focus on output, the lack of a long-term perspective, and the mismatch of tailormade information needs; calls urgently on the Commission to invest in improving the reporting and evaluation system by developing more appropriate indicators ready for use in the next programming period;

28. Calls for better reporting by Member States in the post-2020 programming period of the types of actions financed by technical assistance, as well as the results achieved; stresses that greater transparency is needed in order to increase the visibility of technical assistance and track how and where it is spent, with the aim of achieving better accountability, including a clear audit path; considers that regularly updated and publicly available
databases of actions planned and undertaken by the Member States should be considered in this respect, drawing on the experience of the Commission's Open Data Portal for the ESI Funds;

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**European Parliament resolution of 13 June 2017** on increasing engagement of partners and visibility in the performance of European Structural and Investment Funds (2016/2304(INI))

*The European Parliament,*

8. whereas EU cohesion policy funding has a positive impact on both the economy and citizens’ lives, as shown by several reports and independent evaluations, but the results have not always been well communicated and awareness of its positive effects remains rather low; whereas the added value of EU cohesion policy goes beyond the proven positive economic, social and territorial impact, as it also implies the commitment of Member States and regions towards strengthening European integration;

G. whereas a coherent communication line is essential, not only downstream with regard to the concrete results of ESI Funds, but also upstream in order to make project initiators aware of funding opportunities, with a view to increasing public involvement in the implementation process;

2. Notes with concern that overall public awareness and perceptions about the effectiveness of the EU’s regional policy have been declining over the years; refers to Eurobarometer survey 423 of September 2015, in which just over one third (34 %) of Europeans claim to have heard about EU co-financed projects improving the quality of life in the area in which they live; notes that the majority of respondents mentioned education, health, social infrastructure and environmental policy as important domains; considers that not only the quantity but mainly the quality of projects funded under the ESI Funds and their added value in terms of tangible results are pre-requisites for positive communication; underlines, therefore, that the assessment, selection, implementation and finalisation of projects must focus on achieving the expected results, in order to avoid ineffective spending which could lead to negative publicity for cohesion policy; draws attention to the fact that communication measures must be selected with special consideration for their contents and scope, while reiterating that the best form of advertising is to illustrate the significance and usefulness of the implemented projects;

10. Underlines that it is essential to increase ownership of the policy on the ground, both locally and regionally, in order to ensure efficient delivery and communication of the results; appreciates that the partnership principle adds value to the implementation of European public policies, as confirmed by a recent Commission study; points out, however, that mobilising partners remains rather difficult in some cases on account of the partnership principle being implemented formally but not allowing for real participation in the governance process; recalls that more efforts and resources need to be invested in partnership involvement and in the exchange of experiences through dialogue platforms for partners, with a view, moreover, to making them multipliers of EU funding opportunities and successes;
8. Welcomes the ex-post evaluation of cohesion policy programmes for the period 2007-2013 undertaken by the Commission, which provide excellent sources for communicating the results achieved and impact made; takes note of the initiative of the V4 countries on the externalities of cohesion policy in EU-15 and calls on the Commission to draft a broader objective study at EU-28 level; further urges the Commission to differentiate its communication strategies towards net contributor and net beneficiary Member States, and to highlight the specific benefits that cohesion policy brings in terms of boosting the real economy, fostering entrepreneurship and innovation, creating growth and jobs in all EU regions and improving community and economic infrastructure, both through direct investments and direct and indirect exports (externalities);

29. Emphasises, in the context of communication and visibility, the need for further simplification of the policy post 2020, including with regard to shared management and audit systems, in order to strike the right balance between a policy geared towards results, an appropriate number of checks and controls, and simplified procedures;

European Parliament resolution of 13 June 2017 on building blocks for a post-2020 EU cohesion policy (2016/2326(INI))

The European Parliament,

D. whereas the last reform of cohesion policy in 2013 was extensive and substantial, shifting the focus of the policy towards a result-oriented approach, thematic concentration, effectiveness and efficiency on the one hand and principles including partnership, multi-level governance, smart specialisation and place-based approaches on the other;

22. Invites the Commission to reflect on the development of an additional set of indicators that complement the GDP indicator, which remains the main legitimate and reliable method for allocating ESI Funds fairly; believes that the Social Progress Index or a demographic indicator should be evaluated and considered in this context in order to provide a comprehensive picture of regional development; considers that such indicators could better respond to the new types of inequalities between EU regions that are arising; stresses, furthermore, the relevance of outcome indicators to strengthen the result and performance orientation of the policy;

33. Underlines that the increased visibility of the cohesion policy is vital to fight against euroscepticism and can contribute to regaining citizens’ confidence and trust; highlights that in order to improve the visibility of ESI Funds, greater focus must be placed on the content and results of their programmes, through a top-down and bottom-up approach allowing participation by stakeholders and recipients who can act as an effective channel through which to disseminate cohesion policy achievements; urges, furthermore, the Commission, Member States, regions and cities to communicate in a more efficient way on the measurable results of cohesion policy which bring added value to the everyday life of EU citizens; urges that
communication activities under a specific budget within the technical assistance should continue, if appropriate, until after a project has closed when its results become clearly visible;

36. Notes that the core of the current cohesion policy legislative framework should be maintained after 2020 with a refined, strengthened, easily accessible and result-orientated policy and with an added value of the policy which is better communicated to citizens;

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The European Parliament,

E. whereas duplication of audits and differences in auditing approaches and methodologies call for the implementation of the ‘single audit principle’ and a stronger focus on performance auditing, which could better assess the efficiency and effectiveness of operations and lead to proposals for simplification;

1. Considers that the Commission should introduce detailed guidelines on simplification in order to make the Member States and their regions aware of their task of eliminating, or at least significantly reducing, the administrative burden and gold-plating arising at national and local levels in the processes of procurement, project proposal selection and monitoring and control activities, including avoiding frequent changes in rules, simplifying language and standardising procedures, as well as focusing the EU budget on tangible results; states furthermore that an integrated EU regional funding package delivered via a single interface or ‘one-stop shop’ could be an option, thus moving towards common processes and procedures wherever possible;

Oral / Written Questions

(Regional operational programme) funds - programming period 2007-2013, Question for written answer to the Commission, Rule 130, Giulia Moi (EFDD), Marco Valli (EFDD), Marco Zanni (EFDD), 24-12-2014

The objectives set for cohesion policy for the programming period 2007-2013 were convergence, regional competitiveness and employment, and European territorial cooperation.

During the period corresponding to the financial perspectives 2007-2013, EU funding of EUR 347.41 billion was made available to the Member States through the ERDF, ESF and the Cohesion Fund to reduce inequalities in regional and social development.

With regard to the aforementioned cohesion policy:
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<td>1.</td>
<td>Did it achieve its objectives and how has it speeded up the convergence of regions whose development is lagging behind, improving conditions of growth and employment; and how has it promoted employment, entrepreneurship, innovation and the development of markets that encourage integration in Italian regions whose development is not lagging behind?</td>
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<td>2.</td>
<td>In accordance with the principle of shared management, which of the corrective procedures provided for in Regulation (EU) No 1303/2013 and Regulation (EC) No 1083/2006 has the Commission instigated with regard to Italy?</td>
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<td>3.</td>
<td>How, when implementing ex-post monitoring, is the Commission planning to improve monitoring of the checks conducted by the management authorities, certification authorities, audit authorities and monitoring committees appointed by national authorities?</td>
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Special report 22/2018 of 6 September 2018

Mobility under Erasmus+: Millions of participants and multi-faceted European Added Value, however performance measurement needs to be further improved

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<th>Policy Area</th>
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<td>Report No / Date / Title</td>
<td>Special report 22/2018 of 06-09-2018: Mobility under Erasmus+: Millions of participants and multi-faceted European Added Value, however performance measurement needs to be further improved</td>
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<td>Summary</td>
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**Questions asked:**
The Court assessed the performance and European Added Value (EAV) of the Erasmus+ Programme. It focused the audit on KA1 (Mobility) for Education and Training, which makes up more than half of the Programme’s budget allocation. Projects under KA2 and KA3 have an implementation period of several years and were mostly at the implementing and/or contracting stage in 2017.

The assessment was broken down into the following sub-questions:

1. Does Erasmus+ Mobility provide the expected European Added Value (EAV)?
2. The results of Erasmus+ Mobility are appropriately measured; and
3. Innovations introduced under Erasmus+ Mobility have improved the Programme.

The Court selected five Programme countries to visit: Estonia, Norway, Poland, Romania and Spain. Its criteria for the selection of the countries were:
(i) the number of participants they receive and send; (ii) a country receiving and sending a relatively low number of participants; (iii) a geographical spread across EU Member States and (iv) one non-EU country

**Findings:**

1. Erasmus+ mobility creates more forms of European Added Value than that required in the Regulation
2. The performance measurement of Erasmus+ Mobility has weaknesses in certain key areas
3. Erasmus+ has introduced many innovations but some of them have not yet reached maturity

**Recommendations:**

The Commission should:

1. suggest additional EAV elements when designing and implementing the future Erasmus programme. All EAV elements should be prioritised at the project appraisal stage, monitored and reported on.

2. further develop and publish indicators that help to measure the extent to which the general and specific objectives of the Programme have been achieved and draw up criteria to ensure that the allocation of funds is based on performance in achieving objectives in order to promote an efficient and effective use of resources.

3. further simplify the scheme in order to reduce the administrative burden. In particular it should:
   a) make the application and reporting processes easier for beneficiaries and individual participants;
   b) maintain the lump sums, flat rates and unit costs approach, with adjustments to the grant amounts when necessary;
   c) improve IT tools and continue to computerise procedures.

4. assess whether the funding of traditional classroom language teaching can be reintroduced

5. propose appropriate regulatory and legislative changes to widen the Student Loan Guarantee Facility to include doctoral and undergraduate mobility and take appropriate action to encourage Programme countries to ensure that their National Promotional Institutions participate in the existing Facility.

6. promote the introduction of school student mobility under KA1; and consider applying more flexibility in the duration of the mobility of PhD students. One month better reflects their availability.

**CONT Committee Working Document; Rapporteur**

**CONT Working Document of 18-10-2018** on ECA Special Report 22/2018 (Discharge 2017): Mobility under Erasmus+: Millions of participants and multi-faceted European Added Value, however performance measurement needs to be further improved

Rapporteur: Caterina Chinnici (S&D)

*Recommendations by the rapporteur,*
1. Welcomes the findings of the European Court of Auditors about the additional forms of European Added Value generated by the Programme Erasmus+ (2014-2020), and going beyond those considered under its establishing legal basis; observes that evaluation techniques and indicators for the Programme Erasmus+ should be, as much as possible, global and qualitative, taking into account the multidimensional nature of the effects of such type of long-term actions;

2. Notes that the definition of “disadvantaged participants/ participants with fewer opportunities” is currently not harmonised, and varies from one Member State to another; observes that a common definition would allow for a more precise assessment of the impact of the Program and provide a sounder basis to increase its outreach to such participants, as well as to develop positive actions in their support;

3. Welcomes the reintroduction of individual mobility for school students under the Key Action 1 (KA1) in the proposal for the new Erasmus Programme (2021-2027);

4. Acknowledges the importance of the Online Linguistic Support (OLS); considers that such instrument should be open to all participants and tailored to their specific needs while, at the same time, it should be complemented by on site classroom language courses;

5. Welcomes the introduction of simplified funding methods (lump sums, flat rates and unit costs). Acknowledges, nonetheless, the necessity to adjust and regularly review the grant amounts to the living and subsistence costs of the host country or region, in order to ensure a fairer access to Erasmus individual mobility to participants with fewer opportunities;

6. It is of the opinion that, with the aim of promoting the access to individual mobility of participants disadvantaged and with fewer opportunities, pre-financing under the Key Action 1 of the new Erasmus Programme should be considered;

7. Observes that a better promotion of mobility for doctoral students would require more flexibility as to the minimum mobility period of three months currently foreseen;

8. Acknowledges that Student Loan Guarantee Facility did not deliver the results expected as well as its exclusion from the Proposal for the new Erasmus Programme (20212027).

Related EP Reports / Resolutions of other committees

**European Parliament resolution of 11 September 2018** on language equality in the digital age (2018/2028(INI))

*The European Parliament,*

37. Proposes that the Commission and Member States promote the use of language technologies within cultural and educational exchanges between European citizens such as Erasmus+, for example Erasmus+ Online Linguistic Support (OLS), with the aim of reducing the barriers that linguistic diversity can pose to intercultural dialogue and mutual understanding, especially in written and audiovisual expression;

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**European Parliament resolution of 30 May 2018** on the 2021-2027 multiannual financial framework and own resources (2018/2714(RSP))
The European Parliament,

6. Reconfirms its firm position on the necessary level of funding for key EU policies in the 2021-2027 MFF, in order to enable them to fulfil their mission and objectives; stresses, in particular, the call to maintain the financing of the CAP and cohesion policy for the EU-27 at least at the level of the 2014-2020 budget in real terms, while respecting the overall architecture of these policies, to triple the current budget for the Erasmus+ programme (...),

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European Parliament resolution of 14 September 2017 on the future of the Erasmus+ programme (2017/2740(RSP))

The European Parliament,

2. Underlines the role of Erasmus+, which, through mobility and strategic collaboration, has contributed to enhancing the quality of education and training institutions in the EU, increasing the competitiveness of the European education sector, creating a strong European knowledge economy and achieving the Europe 2020 goals;

3. Believes that the Erasmus+ programme and its successor should focus, in particular, on lifelong learning and mobility, covering formal, non-formal and informal education, and that, in so doing, it can support the development of skills and key competences for personal, social and professional fulfilment, which goes together with the promotion of democratic values, social cohesion, active citizenship and the integration of migrants and refugees in enabling a wider intercultural dialogue;

4. Emphasises the need for a coherent approach to education, training, youth and sport policies across learning sectors, in particular through cross-action opportunities and synergies with other EU funds and programmes; notes, in this respect, that the upcoming renewal of the framework for European cooperation in the youth field is an ideal opportunity to align the priorities of the successor of Erasmus+ with the new EU Youth Strategy and other EU-funded programmes;

5. Believes that Erasmus+ should also be viewed as a key instrument of the EU strategy to promote the sustainable development goals worldwide;

8. Recognises that mobile higher education students are twice as likely to be in employment one year after graduation than their non-mobile peers and that almost 90% of all vocational education and training (VET) learners on mobility programmes say that their employability has increased as a result of this experience; notes with regret, however, that young people are most at risk of unemployment; recognises the need, therefore, for Erasmus+ to lend strong support to actions geared towards delivering better employment opportunities;

20. Firmly believes that the Erasmus+ programme should continue to stimulate active citizenship, civic education and intercultural understanding and develop a sense of European identity; insists, therefore, that all education and training and formal and non-formal learning mobility activities
financed by Erasmus+ also raise young people’s awareness of the added value of European cooperation in the field of education and encourage them to engage in European issues;

*******

European Parliament resolution of 12 June 2018 on modernisation of education in the EU (2017/2224(INI))

The European Parliament,

P. whereas promoting student and staff mobility is an important part of European higher education systems, contributes to young people’s development and can stimulate economic and social progress; whereas there is a need for qualitative improvement and increased financial support with a view to expanding student and staff mobility under Erasmus+;

29. Believes that Erasmus+ is the EU’s flagship programme in the field of education, and that its impact and popularity have been fully proven over the years; calls, therefore, for a substantial increase of funding for this programme in the multi-financial framework (MFF) for 2021-2027, in order to make it more accessible and inclusive and enable it to reach out to more students and teachers;

64. Agrees that the high-quality pedagogical, psychological and methodological training of school and tertiary education teachers and lecturers is a key condition for the successful education of future generations; emphasises, in this regard, the importance of sharing best practices and developing skills and competences through international cooperation, mobility programmes such as Erasmus+ and paid internships in other Member States;

129. Stresses the need to strengthen opportunities and structures for internal and external collaboration at school level, including interdisciplinary cooperation, team teaching, school clusters and interactions with actors involved in the design and implementation of learning paths, including parents; notes the importance of international exchanges and school partnerships, through programmes such as Erasmus+ and e-Twinning;

148. Calls on the Commission to encourage Member States to boost mobility in adult education, as already provided for in the Erasmus+ programme;

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The European Parliament,
7. Recognises the value of the internationalisation of education and the increasing number of students and staff members who participate in mobility programmes; underlines, in this respect, the value of Erasmus+;

67. Asks for concrete measures to be put in place in order to facilitate the transition of young people from education to work by ensuring quality and paid internships and apprenticeships providing them with practical on-the-spot training, as well as cross-border exchange programmes such as Erasmus for Young Entrepreneurs, giving young people the possibility of putting their knowledge and talents into practice and having an adequate set of social and economic rights and access to adequate employment and social protection, as defined by national legislation and practice, equal to adult workers; calls on the Member States to provide special support to SMEs so that they too are able to take on interns and work-study (alternance) trainees;

153. Calls for continuous and increased support for Erasmus+ mobility programme offering and promoting inclusive learning and training opportunities for young people, educators, volunteers, apprentices, interns and young workers;

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<th>Oral / Written Questions</th>
<th><strong>Mid-term and future evaluation of Erasmus+ programme</strong>, E-001781-18, Question for written answer to the Commission, Rule 130, Carlos Coelho (EPP), 23-03-2018</th>
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<td>The Erasmus+ programme covers education, training, youth and sport. The recent mid-term evaluation demonstrated that the programme has a positive effect on students acquiring skills and competencies, which improve their employability and entrepreneurship. What is more, it encourages people to work or study abroad and develop their foreign language skills. It also fosters more active civic behaviour and a ‘European feeling’. According to the Eurobarometer, 40% of people in the EU believe that the EU budget should be invested in education and training, and 25% believe that mobility programmes are the European Union’s main achievement. However, demand still outweighs supply, human and financial resources continue to be scarce and administrative procedures complex. Can the Commission say:</td>
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<td>1. How does the Commission plan to make the programme more accessible to people coming from disadvantaged backgrounds and people who have special needs?</td>
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<td>2. How will it make the programme less bureaucratic and free up human and financial resources in order to meet objectives?</td>
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<td>3. Does it plan to increase the budget of the next programme in order to give opportunities to more people?</td>
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Erasmus+ programme, E-001431-17, Question for written answer to the Commission, Rule 130, Tokia Saïfi (EPP), 02-03-2017

2017 marks the 30th anniversary of the Erasmus+ programme, which has made it possible for millions of Europeans to study or train abroad. Sub-programs have been set up as part of Erasmus+, such as ‘Leonardo da Vinci’ for vocational training abroad or ‘Comenius’, which facilitates mobility and exchanges between schools in Europe. In its resolution of 2 February 2017, Parliament expresses the view that having fewer bureaucratic obstacles would make the Erasmus+ programme more accessible. It also suggests that the Commission should further highlight the relationship of the Erasmus+ programme with the various sub-programs connected with it.

1. How does the Commission plan to increase the visibility of the Erasmus+ programme and its sub-programs?
2. How and when does it intend to reduce bureaucratic obstacles and make the Erasmus+ programme more accessible?
3. What long-term strategy does it intend to use to continue, build on and broaden the programme?

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Language learning and promotion of multilingualism, E-009320-14, Question for written answer to the Commission, Rule 130, Aldo Patriciello (EPP), 14-11-2014

The European Union considers linguistic diversity to be a fundamental part of its identity, and therefore pursues a language policy aimed at promoting the teaching and learning of foreign languages, as well as encouraging mobility and intercultural understanding.

In 2003, improving the teaching of foreign languages was identified as one of the principal areas in which the Commission would provide funding for short-term action to support measures taken by Member States, as part of the action plan entitled ‘Promoting language learning and linguistic diversity’.

In addition, the strategic framework ‘Education and training 2020’ highlights the ability to communicate in foreign languages as a key competence for citizens seeking to improve their training and employment prospects.

European language policy is currently supported by funding programmes such as Erasmus+ and Creative Europe, which encourage strategic partnerships in the field of language teaching and learning, and help organisations to work together to develop innovative approaches and share good practice.

In light of the above, how does the Commission intend to give fresh impetus to developing a European language policy?
## Special report 23/2018 of 11 September 2018

### Air pollution: Our health still insufficiently protected

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<td>Special report No 23/2018: Air pollution: Our health still insufficiently protected</td>
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### Questions asked:

This report assesses whether EU actions to protect human health from air pollution have been effective. It examined whether:

1. the Ambient Air Quality Directive (AAQ Directive) was well designed to tackle the health impact of air pollution;
2. Member States’ effectively implemented the Directive;
3. the Commission monitored and enforced implementation of the Directive;
4. air quality was adequately reflected in other EU policies and adequately supported by EU funds;
5. the public has been well informed on air quality matters.

The report focused on the provisions of the AAQ Directive related to human health and on the air pollutants with the greatest health impact: PM, NO2, SO2 and O3. It concentrated on urban areas, as this is where air pollution most affects health. It examined how six urban centres in the EU dealt with the problem and used funding from the EU’s Cohesion policy and LIFE programmes. It covered the period from the adoption of the AAQ Directive in 2008 to March 2018.

### Findings:

1. The Directive’s standards are weaker than the evidence on health impacts of air pollution suggests
   
a) The provisions for measuring air quality offer a degree of flexibility that makes verification difficult
b) Air Quality Plans are not designed as effective monitoring tools
2. Most Member States did not effectively implement the AAQ Directive
3. The Commission faces limitations in checking compliance and the enforcement process is slow
4. Some EU policies do not sufficiently reflect the importance of air pollution and EU funding is useful but not always targeted
5. Citizen action has a growing role but public rights to access to justice are not explicitly protected by the Directive and air quality information is sometimes unclear.

**Recommendations:**

1. More effective action by the Commission: to take more effective action to improve air quality, the Commission should:

   (a) Share best practice from Member States who have successfully reflected the requirements of the AAQ Directive in their Air Quality Plans, including on issues such as information relevant for monitoring purposes; targeted, budgeted and short-term measures to improve air quality; and planned reductions in concentration levels at specific locations.

   (b) Actively manage each stage of the infringement procedure to shorten the period before cases are resolved or submitted to the European Court of Justice.

   (c) Assist the Member States most affected by intra EU transboundary air pollution in their cooperation and joint activities, including introducing relevant measures in their Air Quality Plans.

2. The Commission should address the following issues when preparing its proposal to the legislator:

   (a) Considering updating the EU limit and target values (for PM, SO2 and O3), in line with the latest WHO guidance; reducing the number of times that concentrations can exceed standards (for PM, NO2, SO2 and O3); and setting a short-term limit value for PM2.5 and alert thresholds for PM.

   (b) Improvements to the Air Quality Plans, notably by making them result oriented; and by requiring yearly reporting of their implementation; and their update whenever necessary. The number of Air Quality Plans by air quality zone should be limited.

   (c) The precision of the requirements for locating industrial and traffic measuring stations, to better measure the highest exposure of the population to air pollution; and to set a minimum number of measurement stations per type (traffic, industrial or background).

   (d) The possibility for the Commission to require additional monitoring points where it considers this is necessary to better measure air pollution.
3. Prioritising and mainstreaming air quality into EU policies: to further mainstream air quality into EU policies, the Commission should produce assessments of:

(a) other EU policies that contain elements that can be detrimental to clean air, and take action to better align these policies with the air quality objective.

(b) the actual use of relevant funding available in support of EU air quality objectives to tackle air pollution emissions, notably PM, NOX and SOX.

4. Improving public awareness and information

To improve the quality of information for citizens, the Commission should:

(a) Identify and compile, with the help of health professionals, the most critical information that the Commission and Member States authorities should make available to citizens (including health impacts and behavioural recommendations).

(b) Support the Member States to adopt best practices to communicate with and involve citizens in air quality matters.

(c) Publish rankings of air quality zones with the best and worst progress achieved each year and share the best practices applied by the most successful locations.

(d) Develop an online tool that allows citizens to report on air quality violations and provide feedback to the Commission on issues related to Member States’ actions on air quality.

(e) Support the Member States to develop user-friendly tools for the access of general public to air quality information and monitoring (for example, smartphone apps and/or social media dedicated pages).

(f) Together with the Member States, seek an agreement on harmonising air quality indices.
3. Stresses the importance of raising awareness through a continuous public debate and wider information about the actual competences of the EU, its functioning and its need for future improvements, in order to ensure that citizens and residents are well informed about the levels at which decisions are taken, so that they can be also involved in discussions about possible reforms and to prevent the ‘blame Brussels’ phenomenon used by some irresponsible Member States; considers that a broader public debate about the EU, as well as better information and education and rigorous media reporting would reduce the number of inadmissible petitions, as citizens and residents would be better aware of the competences of the EU; notes that the subject matter of an inadmissible petition can play a role in policy making even if it falls outside the scope of the committee;

20. Deeply regrets the fact that air quality problems flagged by petitioners in a number of Member States are being exacerbated by pollution from 43 million diesel vehicles that fail to comply with EU rules on the type-approval and emissions of passenger and light commercial vehicles.

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European Parliament resolution of 13 September 2018 on Europe on the Move: an agenda for the future of mobility in the EU (2017/2257(INI))

[The European Parliament, ]

15. Highlights the fundamental role that users and consumers can play in fostering the transport transition and calls on the Commission and Member States to enhance transparency and public availability of relevant data in order to boost public awareness and allow consumers to make well-informed choices;

18. Recalls that sustainable and innovative transport technologies and mobility solutions will be needed to enhance road safety, limit climate change and carbon dioxide emissions, air pollution and congestion, and that a European regulatory framework which stimulates innovation is needed; calls, in this context, for more funding for interlinked cross-sectoral research and development regarding connected and driverless cars, electrification of rail and road infrastructures, alternative fuels, vehicle design and manufacturing, network and traffic management as well as smart mobility services and infrastructure, without neglecting existing systems in other sectors; notes that these key innovations will necessitate the application of many forms of industrial know-how if they are to be developed effectively; points out, in that context, that cooperative, automated and connected vehicles may make the European industry more competitive and reduce energy consumption and transport emissions as well as contribute to reducing deaths
from road accidents; emphasises, therefore, that infrastructure requirements should be determined with a view to ensuring that those systems can function safely;

30. Notes that the provision of information to consumers on passenger vehicles is imperative to accelerate decarbonisation in transport, and calls, therefore, for improved, reliable and more accessible information on emissions and fuel consumption of vehicles, including standardised, visible and clear vehicle labelling, in order to allow consumers to make informed choices and to promote changes in the behaviour of businesses and private individuals, and cleaner mobility; stresses that more accurate information will also facilitate and allow the public authorities of Member States, regions and cities to make use of ‘green’ public procurement; welcomes Commission Recommendation (EU) 2017/948(10), while also calling on the Commission to consider revising the Car Labelling Directive 1999/94/EC;

44. Recalls the need to favour collective and safer means of transport for freight and passengers on major cross-border corridors and in metropolitan areas, in order to reduce pollution, traffic jams and casualties and protect the health of citizens and road users.

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[The European Parliament, ]

8. Stresses that substantial progress in cutting greenhouse gas emissions, air pollution and other pollutants, and in improving energy and material efficiency, must be complemented by further actions by Member States to fully apply agreed policies to better protect biodiversity, natural resources, and public health.

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European Parliament resolution of 3 May 2018 on the implementation of cohesion policy and the thematic objective of ‘promoting sustainable transport and removing bottlenecks in key network infrastructures’ – Article 9(7) of the Common Provisions Regulation (2017/2285(INI))

[The European Parliament, ]

10. Emphasises the need to integrate climate protection into cohesion policy in relation to the sustainable transport objective, hence pursuing the EU’s objectives to reduce CO2 emissions; calls on the Commission to require the Member States to integrate EU environmental legislation into the process of adopting and planning projects eligible for funding, particularly Natura 2000, strategic environmental assessments, the environmental
impact assessment, air quality, the Water Framework Directive, the Habitats and Birds Directives, and the European Environmental Agency’s Transport and Environment Reporting Mechanism (TERM);

15. Calls on the Commission, in the framework of the new Regulation(s) on post-2020 cohesion policy, to propose a greater earmarking of the funds available for cities to bid jointly for infrastructure or technologies that would contribute to decarbonising urban transport and reducing air pollution from road vehicles.

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European Parliament resolution of 13 March 2018 on the role of EU regions and cities in implementing the COP 21 Paris Agreement on climate change (2017/2006(INI))

[The European Parliament, ]

20. Emphasises the key role that cohesion policy has to play in tackling the challenges of climate change at regional and local level; reiterates the need to increase the post-2020 cohesion policy budget; stresses that cohesion policy should pay particular attention to urban investment in air quality, the circular economy, climate adaptation, solutions for the development of green infrastructure and energy and digital transition;

42. Calls for more effective multilevel governance with full transparency that could better involve local government, regions and cities and their representative bodies in the EU’s decision making process and within the UNFCCC process; calls for coordination among all public authorities to be promoted and guaranteed, and for the involvement of the public, and of social and economic stakeholders, to be fostered, and calls on the Commission to promote the coordination and exchange of information and best practices between Member States, regions, local communities and cities; points out that participatory models of local governance should be encouraged.

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European Parliament resolution of 17 April 2018 on the implementation of the 7th Environment Action Programme (2017/2030(INI))

[The European Parliament, ]

1. Considers that the 7th EAP has added value and a positive influence on environmental policies at EU and Member State level, with benefits for citizens, nature and economic stakeholders;

2. Reiterates that the 7th EAP has a clear long-term vision for 2050 in order to provide a stable environment for sustainable investment and growth, within the planet’s ecological limits;
6. Notes that there has been some progress in certain areas for priority objective 2, in particular for climate and energy related targets; notes, however, that more must be done on resource efficiency; reiterates the potential of the Ecodesign Directive and the Ecolabel Regulation to improve the environmental performance and resource efficiency of products throughout their lifecycle, by addressing, inter alia, product durability, reparability, re-usability, recyclability, recycled content and product lifespan;

7. Regrets that the sub-objective of achieving good quality status of surface water bodies by 2020 will not be achieved owing to the pressure exerted by pollution, interventions in the morphology of watercourses and excessive consumption due to the large amounts of water drawn off for the generation of hydroelectric power;

18. Recognises that the CAP has progressively integrated environmental concerns but still presents challenges to the achievement of the EAP's objectives, particularly as regards resource-intensive production and biodiversity; recalls that the CAP has the challenging task of preventing environmental degradation caused by inappropriate agricultural practices (such as unsustainable biofuels), unsustainable agricultural intensification and land abandonment, while providing better quality and increased quantities of food and agricultural raw materials to the ever-growing world population; stresses that further initiatives and support for environmentally sustainable farming methods, including crop rotation and nitrogen fixing plants, are essential and need to consider agriculture and farmers as part of the solution;

27. Acknowledges the progress on reducing certain atmospheric pollutants, particularly in urban areas, but regrets the persistent problems with air quality, to which emissions from road transport and agriculture are a significant contributory factor; acknowledges the ‘mobility package’ presented by the Commission in November 2017 and the European Strategy for Low Emission Mobility presented in 2016, which could pave the way for low-emission mobility within the Union;

36. Urges the Commission and the Member States to do more to improve the cognitive and scientific bases of the EU's environmental policies, increasing the accessibility of data for citizens and fostering public involvement in scientific research;

53. Calls on the Member States to ensure full implementation of the air quality legislation; calls on regional authorities to provide a supporting framework, particularly with regard to urban planning and local policy-making, in order to improve health outcomes in all areas, and in particular the worst-affected ones;

54. Urges the competent national and regional authorities to adopt plans comprising credible measures to put an end to the problem of exceeding the daily and annual limit values set by EU legislation on fine and ultra-fine particles in agglomerations where air quality is poor; highlights the fact that this is essential to achieve priority objectives Nos 2, 3 and 8 of the 7th EAP;.
European Parliament resolution of 6 July 2017 on EU action for sustainability (2017/2009(INI))

[The European Parliament,]

49. Calls on the Commission to produce a report every five years, starting within six months of the 2018 facilitative dialogue under the UNFCCC, on the EU’s climate legislation, including the Effort Sharing Regulation and the ETS Directive, in order to ascertain that this legislation is effective in making the expected contribution to EU GHG reduction efforts and to establish whether the current trajectory for reductions will be enough to meet the SDGs and the goals of the Paris Agreement; further requests that the Commission revise and scale up the 2030 climate and energy framework and the EU’s nationally determined contribution by 2020 at the latest, so that they are sufficiently aligned with the long-term objectives of the Paris Agreement and the SDGs; calls for the Commission to incentivise the potential for GHG absorption by encouraging the development of policies that support afforestation with proper forest management practices, in view of the fact that the EU has, under the 2030 Agenda, committed to promoting the implementation of sustainable forest management, to halting deforestation, restoring degraded forests and increasing afforestation and reforestation globally by 2020;

65. Underlines that corruption has a serious impact on the environment, and that trafficking in endangered species of wildlife, minerals and precious stones, as well as forest products such as timber, are also inextricably linked to corruption; underlines further that trafficking in wildlife can further threaten endangered species, while illegal logging can lead to a loss of biodiversity and increase carbon emissions, which contribute to climate change; stresses that for organised criminal groups the profits are good and come with little risk, as forest crimes are rarely prosecuted and the sanctions often do not match the gravity of the crime; recalls that the United Nations Convention against Corruption, with its comprehensive focus on corruption prevention, effective law enforcement, international cooperation and asset recovery, can be an effective tool for combating corruption in the environmental sector; calls on the Member States to integrate anti-corruption strategies such as transparency and accountability into environmental legislation and policies and to enhance democracy and good governance; stresses that tackling corruption in the environmental sector will help create equitable access to essential resources such as water and a clean environment and is essential for protecting our environment and ensuring sustainable development;

80. Strongly urges the Commission to continue stepping up action on effective measures to tackle poor air quality, which is responsible for over 430 000 premature deaths in the EU every year; urges the Commission to ensure that new and existing legislation is enforced to speed up legal actions against Member States failing to comply with air pollution laws, and to propose new, effective legislation, including sector-specific legislation, to tackle poor ambient air quality and the various sources of pollution while also addressing methane emissions; underlines the fact that the EU is still far from achieving the air quality levels set for the EU, which are much less stringent than those recommended by the WHO;

81. Notes that the Commission has addressed the problem of poor air quality by launching a number of infringement procedures, in particular against those continuously exceeding the NO2 limit values laid down in Directive 2008/50/EC;
82. Points out that a reduction in noise pollution is one of the quality parameters that will not be achieved by 2020; stresses that, in the EU, exposure to noise contributes to at least 10 000 premature deaths per year related to coronary heart disease and stroke, and that in 2012 approximately a quarter of the EU population was exposed to noise louder than the limit values; calls on the Member States to prioritise monitoring noise levels and to ensure that the limit values for external and internal environments are respected; calls furthermore for measures to address noise pollution;

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**European Parliament resolution of 14 June 2018 on monitoring the application of EU law 2016 (2017/2273(INI))**

[The European Parliament, ]

14. Is concerned that that there are still significant shortcomings in the implementation and enforcement of EU environmental legislation in some Member States, particularly in the areas of waste management, waste water treatment infrastructure and compliance with air quality limit values.

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**European Parliament resolution of 26 October 2017 on monitoring the application of EU law 2015 (2017/2011(INI))**

[The European Parliament, ]

2. Notes, in particular, that the Commission has tackled the problem of poor air quality in Europe by launching a number of infringement proceedings for breach of Directive 2008/50/EC, on account of continuous exceedances of the NO2 limit values; regrets, however, that in 2015 the Commission did not exercise the same powers of control to prevent the placing on the single market of pollutant, diesel-powered cars that contribute significantly to the release of NO2 into the atmosphere over these limits and that do not comply with EU rules on the type-approval and emissions of passenger and light commercial vehicles;

30. Regrets the fact that significant shortcomings in the implementation and enforcement of EU environmental legislation persist in some Member States; notes that this is particularly the case in waste management, wastewater treatment infrastructure and compliance with air quality limit values; considers, in this context, that the Commission should seek to identify the causes of this situation in the Member States.

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**European Parliament recommendation of 4 April 2017 to the Council and the Commission following the inquiry into emission measurements in the automotive sector (2016/2908(RSP))**

[The European Parliament, ]
6. Calls on the Commission to change its internal structure in such a way that, under the principle of collective responsibility, the portfolio of one single Commissioner (and Directorate-General) includes at the same time the responsibility for air quality legislation and for policies addressing the sources of pollutant emissions; calls for an increase in the human and technical resources dedicated to vehicles, vehicle systems and emission control technologies in the Commission, and for the Joint Research Centre (JRC) to further improve in-house technical expertise;

12. Takes note of the action for annulment against the 2nd RDE package initiated by several EU cities on the grounds that by introducing new increased thresholds for NOx emissions, the Commission Regulation alters an essential element of a basic act, thereby infringing an essential procedural requirement, as well as the provisions of the Air Quality Directive 2008/50/EC as regards the limitation of the maximum nitrogen emission levels for diesel vehicles;

70. Calls on the Commission and the co-legislators to follow a more integrated approach in their policies to improve the environmental performance of cars, in order to ensure progress on both the decarbonisation and air quality objectives, such as by fostering the electrification or transition to alternative motorisations of the car fleet;

73. Calls on the Commission to review the emissions limits set out in Annex I to Regulation (EC) No 715/2007 with a view to improving air quality in the Union and to achieving the Union ambient air quality limits as well as the WHO recommended levels, and to come forward by 2025 at the latest with proposals, as appropriate, for new technology-neutral Euro 7 emission limits applicable for all M1 and N1 vehicles placed on the Union market.

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European Parliament resolution of 14 December 2017 on a European Strategy for Low-Emission Mobility (2016/2327(INI))

[The European Parliament, ]

17. Considers that clearer price signals across all transport modes which better reflect the polluter-pays and user-pays principles are essential in ensuring fairness and a level playing field for different transport modes in Europe; points out that existing policies should be reassessed from that perspective;

61. Notes that the EU approach to sustainable energy should be technology-neutral and that the goals of EU sustainability policies should be focused on reducing climate- and health-damaging emissions.

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European Parliament resolution of 13 September 2016 on an EU Strategy on Heating and Cooling (2016/2058(INI))
[The European Parliament, ]

4. Underlines that the strategy on heating and cooling should prioritise sustainable and cost-efficient solutions enabling the Member States to reach EU climate and energy policy goals; notes that the Member States' heating and cooling sectors are very diverse owing to different energy mixes, climatic conditions, grades of efficiency of the building stock and industry intensity, and stresses, therefore, that flexibility in choosing adequate strategy solutions should be ensured.

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European Parliament resolution of 15 December 2015 on Towards a European Energy Union (2015/2113(INI))

[The European Parliament, ]

4. Calls on the Member States to develop long-term energy strategies in the light of the long-term target of achieving an 80-95% reduction of greenhouse gases by 2050, which should be matched by similar efforts undertaken by the world’s biggest polluters;

6. Emphasises that the Energy Union should adopt a comprehensive approach focusing on dimensions such as achievement of a fully integrated internal energy market, security of supply, best use of EU’s energy resources, moderation of energy demand, greenhouse gas reduction based essentially on renewable energy sources and an EU-wide carbon market, as well as research and innovation aiming for energy technology leadership; stresses that citizens should be at the core of the Energy Union and be provided with secure, sustainable and affordable energy;

7. Acknowledges the European Council’s weak 2030 targets for climate and energy, namely to reduce greenhouse gas emissions by 40%, to increase the share of renewables in the European energy mix to 27% and to increase energy efficiency by 27%; recalls that Parliament has repeatedly called for binding 2030 climate and energy targets of at least a 40% domestic reduction in GHG emissions, at least 30% for renewables and 40% for energy efficiency, to be implemented by means of individual national targets;

112. Believes that the development of renewable energy sources is essential to the Energy Union, taking into consideration energy costs; underlines the crucial role of renewables in the EU in attaining energy security and political and economic independence by reducing the need for energy imports; underlines the crucial role of renewables in improving air quality and creating jobs and growth; believes that renewables deliver secure, sustainable, competitive and affordable energy and play an important role in pursuing Europe’s leadership in a green economy and in developing new industries and technologies; underlines that, in this regard, the current power market design should be more dynamic and flexible in order to integrate variable energy sources into the market; draws attention to the fact that the production costs of renewables have considerably dropped in recent years; stresses the importance of developing cross-border infrastructure and of enhancing research and innovation in developing smarter energy grids and new energy storage solutions as well as flexible generation technologies for the integration of renewables;
149. Calls on the Commission and the Member States to ensure that the development of the Energy Union ensures environmental and climate protection, improved air quality, reduced external energy dependency, biodiversity, employment and the competitiveness of European industry based on technology innovation and leadership;

European Parliament resolution of 2 December 2015 on sustainable urban mobility (2014/2242(INI))

[The European Parliament, ]

16. Encourages the competent authorities to take preventive measures, in accordance with the precautionary and proportionality principles, to improve air quality in towns and cities and to guarantee that pollutant concentrations do not exceed the levels set in the World Health Organization guidelines; to that end, supports local setting-up of low-emission zones; stresses that it is the responsibility of the competent authorities to offer safe and healthy mobility solutions to their citizens; is of the opinion that these solutions could be based on affordable, smart, reliable, accessible public transport systems; encourages the Member States, as well as local authorities, to consider, when there is a risk of the abovementioned WHO guidelines being exceeded, to take measures to improve access to public transport, for example by alternating traffic;

17. Points out that there is a need for a holistic approach to air pollution in European cities; calls on the Commission, therefore, to put forward effective measures that enable the Member States to comply with the Ambient Air Quality Directive (2008/50/EC), notably by setting effective and ambitious emission ceilings for 2025 and 2030 under the National Emission Ceilings Directive (NEC), and by ensuring better coordination of measures under the NEC Directive and the Ambient Air Quality Directive, by setting ambitious car emission performance standards for 2025 and 2030 in a timely review of the CO2 and cars Regulation (EC) No 443/2009, and by setting a clear timeframe for the implementation of Real-World Driving Emission Testing for private vehicles;

18. Calls on the Commission to make assessments, within the Member States’ individual plans, regarding the siting of stations used to measure and monitor atmospheric pollution in the main urban agglomerations with air quality problems, bearing in mind that poor siting of such stations very often renders the data inaccurate and could thus create a public health risk;

21. Emphasises that highly developed, efficient, affordable, safe and accessible public transport is an integral part of sustainable urban development; is convinced that reliable public transport services may play an important role in reducing congestion, air pollution and noise in cities; calls on the Member States, therefore, to promote public transport with the view to increasing its use by 2030; also encourages national and local authorities to promote the availability of digital services on public transport and stations, to support the development of innovative forms of mobility and to implement intelligent transport solutions and other state-of-the-art technologies; stresses that car-sharing, ride-sharing and car-pooling services make better use of existing resources and help to reduce the number of cars in cities; recognises the importance of the European satellite navigation
programmes Galileo and EGNOS and mobile high-speed networks; supports the formation of a regulatory framework that enables the use of new forms of mobility and new sharing models that make better use of existing resources;

27. Encourages the Member States to review their strategies in order to improve non-motorised transport with a view to meeting the convergent interests of improving mobility and the urban environment; encourages the Member States to promote, where appropriate, the use of bicycles, including by setting ambitious targets for cycling rates by 2030 and to improve conditions for walking and cycling;

28. Encourages the Commission and the Member States to raise awareness of cycling and alternative transport modes, to contribute to a modal shift towards sustainable transport modes and to continue supporting the European Mobility Week Campaign; invites cities to organise bicycle-sharing systems in connection with public transport; welcomes initiatives at national, regional and local level to promote and organise ‘EU Car-Free Sunday’ and ‘EU Bicycle Day’ events with a view to improving air quality in cities;

32. Encourages the Member States to support the goals of the Transport White Paper of halving the number of ‘conventionally fuelled’ cars in urban transport by 2030 and of phasing them out in cities by 2050; invites cities to promote and support shifts towards alternative means of transport and less-polluting vehicles, taking into account their real carbon footprint with the view to achieving the EU targets of reducing greenhouse gas emissions by 60% by 2050; welcomes incentives for travellers to combine different modes of transport.

**Oral / Written Questions**

**Environmental zones**, E-004124-18, Question for written answer to the Commission, Rule 130, Matthijs van Miltenburg (ALDE)++, 23-07-2018

Due to inadequate source-based policy and major shortcomings in the implementation of European rules, many European cities are forced to promote clean air for citizens by introducing environmental zones. However, the increasing variety of rules means that there are different standards for environmental zones in European cities. In addition, there are differences between cities’ toll systems and parking policies. The lack of coordination between the various systems leads to confusion and inconvenience for motorists, residents and businesses. Moreover, it is not always possible to enforce rules concerning environmental zones in relation to vehicles from other Member States when the need arises.

Is the Commission prepared to carry out a study into the fragmentation of the approach and its effects, and will it facilitate exchanges of best practices?

What is the Commission’s response to the EMIS Committee of Inquiry’s request (Resolution 2016/2908 (RSP), Paragraph 69) and would the Commission be prepared to develop a voluntary label for ultra-low emission vehicles that cities can use for environmental zones?
How will the Commission promote effective enforcement, including to deal with cross-border infringements?

See also: **Patchwork of low-emission zones**, P-000885-18, Question for written answer to the Commission, Rule 130, Ivo Belet (PPE), 13-02-2018; **European data exchange in the context of low-emission zones**, E-001693-17, Question for written answer to the Commission, Rule 130, Ivo Belet (PPE)++, 13-03-2017

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**Assessing ‘ultra-fine’ particulate matter**, E-003442/2018, Question for written answer to the Commission, Rule 130, Joëlle Mélin (ENF), 25-06-2018

The Étang de Berre, located in the south of France, is one of the largest industrial areas in Europe, with more than 200 factories.

It turns out that, in 2010, the French Institute for Public Health Surveillance highlighted an excessive number of hospitalisations for cardiovascular conditions and for multiple illnesses west of Étang de Berre.

In January 2017, new information emerged from the community-based participatory environmental health survey (CBPEH), which noted the high likelihood of a link 'between the illnesses and industrial pollution'.

However, in 2011, the Eco-citizen Institute launched campaigns to measure the air quality, which resulted in it noting that the air around the industrial area 'was made up of 80% ultra-fine particulate matter and [that] the chemical composition of the air pollutants was extremely complex'.

Ultra-fine particulate matter is the most dangerous for our health because it gets deep into our bodies. However, if Air Paca does not measure it, it is because European legislation does not require Member States to measure the levels of ultra-fine particulate matter.

Therefore, we would like to know whether the Commission wishes to encourage Member States to measure the levels of ultra-fine particulate matter in order to assess toxicity of the air in industrial areas in more detail.

See also: **Small particle pollution and the Clean Air Package**, E-000915/2017, Question for written answer to the Commission, Rule 130, Deirdre Clune (PPE), 09-02-2017

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**Air pollution in the European Union**, E-010209/2015, Question for written answer to the Commission, Rule 130, Cătălin Sorin Ivan (S&D), 24-06-2015
Air pollution has been one of European Union’s main concerns for at least four decades. The problem still exists and is affecting small and large cities. The quality of air is a major health issue. EU figures show that a staggering number of premature deaths every year — 400 000 — are related to air pollution. The limits imposed in the EU for various pollutants are less stringent than the ones laid down by the WHO.

What is the Commission intending to do in order to improve air quality in the European Union in the future?

See also: Air quality, E-008530-15, Question for written answer to the Commission, Rule 130, Nicola Caputo (S&D), 28-05-2018; Atmospheric pollution, E-002564-18, Question for written answer to the Commission, Rule 130, Lamprou Fountoulis (NI), 14-05-2018; PM2.5 daily limit values, P-002053/2018, Question for written answer to the Commission, Rule 130, Piernicola Pedicini (EFDD), 10-04-2018; Small particle pollution and the Clean Air Package, E-000915/2017, Question for written answer to the Commission, Rule 130, Deirdre Clune (PPE), 09-02-2017; Addressing high air pollution levels in urban environments in Europe, E-009086-16, Question for written answer to the Commission, Rule 130, Theodoros Zagorakis (PPE), 30-11-2016; Preventing the consequences of air pollution, E-007323/2016, Question for written answer to the Commission, Rule 130, Frédérique Ries (ALDE), 30-09-2016; Link between air pollution and respiratory disease, E-013269/2015, Question for written answer to the Commission, Rule 130, Igor Šoltes (Verts/ALE), 30-09-2015; Air pollution in the European Union, E-012009-15, Question for written answer to the Commission, Rule 130, Cătălin Sorin Ivan (S&D), 24-06-2015; Air quality, E-007554-15, Question for written answer to the Commission, Rule 130, Louis Michel (ALDE), 11-05-2015; Air quality, E-007553-15, Question for written answer to the Commission, Rule 130, Louis Michel (ALDE), 11-05-2015; World Health Organisation air pollution warning, E-009708/2015, Question for written answer to the Commission, Rule 130, Síon Simon (S&D), 12-06-2015; Clean Air Policy Package and the blue economy, E-010160-14, Question for written answer to the Commission, Rule 130, Nicola Caputo (S&D), 04-12-2014; Air pollution in the Member States, E-009774/2014, Question for written answer to the Commission, Rule 130, Marlene Mizzi (S&D), 26-11-2014; Air pollution levels in urban areas, E-007486/2014, Question for written answer to the Commission, Rule 130, Roberta Metsola (PPE), 02-10-2014

[...] I was however surprised to learn that the proposal for a directive on the reduction of national emissions of certain atmospheric pollutants and amending Directive 2003/35/EC (COM(2013)0920) has recently been withdrawn from the Commission’s 2015 legislative review schedule.

What specific criteria or data have led to this withdrawal?

By what methods does the EU intend to issue effective warnings and penalties to those countries where people are being exposed to unacceptable pollution levels?
One of the compromise amendments adopted, that on Article 4(1a), provides that ‘Member States shall, as a minimum, limit their annual anthropogenic emissions of methane (CH4) except emissions of enteric methane produced by ruminant livestock...’ Without going into details of the measures that are currently the subject of negotiations between Parliament and the Council, it is important to encourage innovations to reduce emissions of pollutants such as methane.

Does the Commission intend to support the development of products that reduce the production of methane in the atmosphere, in particular a new range of compound feed based on extruded linseed which, without any increased production cost for the breeder, reduces by 30% the release of methane into the air by cattle?

Is it aware of similar products being placed on the market or other effective solutions, using raw materials of European origin, which have the same positive effect on air quality?

Fuel Quality Directive and vapour pressure waiver applications, P-000294-15, Question for written answer to the Commission, Rule 130, Bas Eickhout (Verts/ALE), 13-01-2015

Poor air quality is the number one environmental cause of premature deaths in the EU. While existing legislation, such as the Fuel Quality Directive, has greatly contributed to the reduction of pollutants from road transport, it also contains provisions that allow Member States to apply for a waiver from requirements relating to the vapour pressure of petrol. The granting of such waivers increases the volatility of petrol and therefore the emissions of pollutants, such as benzene, that adversely impact human health.
1. Which Member States have applied for waivers under Article 3(4) and (5) of the Fuel Quality Directive? Which of these applications have been granted, and under what conditions and which procedure?

2. What evidence has been provided of the impact on the environment and on human health and the compliance with EU air quality legislation, and how was this evidence assessed by the Commission?

3. How have the views of neighbouring Member States, civil society and other interested stakeholders been taken into account by the Commission?

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The Clean Air Package, E-000142-15, Question for written answer to the Commission, Rule 130, Morten Helveg Petersen (ALDE)++, 07-01-2015

We strongly support the Commission’s proposal for a Clean Air Package. It has the potential to reduce air pollution in the EU, which is a major problem and causes ten times more deaths than road accidents. In addition, according to the Commission’s impact assessment (SWD(2013)0532), the economic harm caused by air pollution in terms of damaged crops (EUR 3 billion), extra healthcare expenditure (EUR 4 billion), lost working days (EUR 15 billion), etc., is huge.

We also welcome this package because the EU legislation currently in place is not being adhered to or implemented, and if this continues the Union will not reach its long-term air quality objective.

1. Is there anything that the new Commission, now that it has taken office, wishes to change in the original impact assessment (SWD(2013)0531)?

2. More specifically, does the new Commission agree with the statement in that impact assessment to the effect that the Clean Air Package entails ‘overall benefits in the range of EUR 45-150 (41-146) billion per annum, 10 to 35 times the compliance costs’?

3. What does the new Commission consider to be the best means of reducing air pollution in the EU?

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Urban pollution, E-009769-14, Question for written answer to the Commission, Rule 130, José Blanco López (S&D), 26-11-2014

The report on air quality in Europe published by the European Environment Agency reveals that up to 98% of town and city dwellers have been exposed to higher-than-permitted levels of ozone pollution, up to 93% to PM2.5 particulate emissions and around 89% to benzopyrenes, among other pollutants.
Pollution is responsible annually for more than 450,000 premature deaths in Europe and it also has a specific economic impact, costing, according to the Environment Commissioner, around EUR 940,000 million a year.

Moreover, the permissible levels of pollution set under EC law are less strict than those of the World Health Organisation: the permitted annual average for PM2.5 particulates in the Union is 25 mcg/m³, as against the WHO figure of 10 mcg/m³.

1. What does the Commission think of the European Environment Agency report? Does it intend to take steps to reduce the levels of environmental pollution to which town and city dwellers are exposed?

2. Does it not think that the EU reference values need to be aligned with those of the WHO — which are much stricter — as a matter of urgency?

See also: Sustainable urban mobility — EU investment funding, E-007034-14, Question for written answer to the Commission, Rule 130, Elissavet Vozemberg (PPE), 22-09-2014

On ECA’s special report No 23/2018 Air pollution in the EU, E-004740/2018, Question for written answer to the Commission, Rule 130, José Blanco López (S&D), 19-10-2018

According to the European Court of Auditors’ Special Report No 23/2018: ‘Air pollution: Our health still insufficiently protected’, EU measures to protect human health from pollution have not had the expected impact.

The report indicates that European Union air quality standards are outdated and that some are more lax than WHO guidelines and the levels established in the latest scientific data. Furthermore, it reveals that the majority of Member States still have not complied with EU standards in this respect, nor have they adopted measures to resolve this situation.

According to the World Health Organisation, air pollution causes around 400,000 premature deaths in the EU every year, in addition to economic costs related to health.

In the light of COM(2018) 330 on this issue, I would like to know whether the European Commission will propose new measures or modify those proposed. In this case, I would like the Commission to specify these measures or modifications.

See also: Urban agriculture — a means to reduce premature deaths in the EU caused by air pollution, E-004650/2018, Question for written answer to the Commission, Rule 130, Claudiu Ciprian Tănăsescu (S&D), 13-10-2018; Air pollution, E-002678/2017, Question for written
### Air pollution: why has it taken so long to protect people's health?

E-005101/2018, Question for written answer to the Commission, Rule 130, Guillaume Balas (S&D), 05-10-2018

For a number of years now, France and several other EU countries have been in breach of the EU rules on air quality (Directive 2008/50/EC). In these countries, the concentrations of nitrogen dioxide (NO2) and particulate matter (PM10) in the air significantly exceed the maximum levels permitted under the directive and the levels recommended by the World Health Organisation (WHO).

However, despite the breach of the rules being blatant, and despite thousands of deaths every year, all the Commission did was issue formal notices at regular intervals — to France in 2009, 2010, 2011, 2013, 2015, and 2017 — and it waited until 2018 to impose penalties on Poland or bring an action against France before the Court of Justice of the European Union (CJEU). These proceedings could take another year to reach a conclusion and rarely lead to penalties being imposed.

How can the Commission justify having waited 10 years to haul France before the CJEU, despite repeated warnings from the WHO about the dangers to public health?

How can the Commission reconcile the 10-year delay with its role as a guardian of public health in Europe?

See also: Cross-border air pollution between Member States, E-001674/2018, Question for written answer to the Commission, Rule 130, Petr Ježek (ALDE), 20-03-2018; Infringement procedures under Directive 2008/50/EC, E-001527-18, Question for written answer to the Commission, Rule 130, Norbert Lins (PPE), 13/03/2018; Clean air — access to information, E-001196-18, Question for written answer to the Commission, Rule 130, Piernicola Pedicini (EFDD), 27-02-2018; High levels of air pollution in Bulgaria, E-000096/2018, Question for written answer to the Commission, Rule 130, Ilhan Kyuchyuk (ALDE), 10-01-2018; Substantive application of principles regarding improvements to air quality, P-001279-17, Question for written answer to the Commission, Rule 130, Giulia Moi (EFDD), 27-02-2017; Air quality in Bulgaria, E-006442-17, Question for written answer to the Commission, Rule 130, Iskra Mihaylova (ALDE), 12-10-2017

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<th><strong>Planned coal-fired power plants in the western Balkans</strong>, E-004388-17, Question for written answer to the Commission, Rule 130, Jozo Radoš (ALDE)++, 30-06-2017</th>
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<td>Eight coal-fired power plants are planned to be built in Member States in the western Balkans, and none are in compliance with the emission limit values for air pollution established in the EU’s new reference document on best available techniques for large combustion plants (LCP BREF) expected to come into force later this year.</td>
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<td>Most governments in Western Balkans have already adopted legislation incorporating the new LCP BREF standards as criteria for permitting new coal projects, which means that they will apply to new plants as soon as the LCP BREF enter into force.</td>
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<td>However, feedback received so far suggests not only that none of the plants’ promoters have any intention of changing their projects to comply with the new LCP BREF standards, but also that none of the responsible ministries in the countries concerned will insist that they do so, leaving these countries open to legal challenges, and to the need for expensive retrofits in the future, placing further burdens on the scarce budgets of countries whose population are already struggling with poverty.</td>
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<td>As the Commission plans to include Chapter II of the Industrial Emissions Directive in the Energy Community acquis in the course of 2018, what does the Commission intend to do in response to the coal-fired power plants planned to be built in the western Balkans countries despite the fact that they do not comply with the new LCP BREF standards?</td>
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<tr>
<th><strong>Additional measures to encourage Member States to comply with legal limits on air pollutant emissions</strong>, E-010833-15, Question for written answer to the Commission, Rule 130, Ivan Jakovčić (ALDE), 03-07-2015</th>
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<tr>
<td>According to a European Environment Agency (EEA) report published on 11 June 2015, many Member States exceeded one or more of their emission ceilings for key pollutants.</td>
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<td>Under the National Emission Ceilings (NEC) Directive, Member States have individual air pollutant emission limits, or ‘ceilings’, for sulphur dioxide (SO2), nitrogen oxides (NOx), ammonia (NH3) and non-methane volatile organic compounds (NMVOC).</td>
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<td>The four pollutants addressed in the directive harm human health and the environment, causing respiratory illnesses, acidifying soil and surface waters, and damaging vegetation.</td>
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Findings show that ten Member States exceeded at least one ceiling in 2013, while six Member States exceeded their NOx emission ceilings in all years from 2010 to 2013. Emissions from road transport are one of the main reasons for the large number of NOx exceedances, partly owing to the increased number of diesel vehicles producing higher NOx emissions than petrol-fuelled vehicles.

Six Member States also have persistent problems meeting their national emission targets for NH3. Almost 95% of NH3 emissions stem from agriculture, mainly from the use of fertilisers and the handling of animal manure.

What additional measures will the EU take to encourage Member States to fulfil their emission limits?

On transport

Lowering greenhouse gas emissions in the transport sector, Question for written answer to the Commission, Rule 130, Jasenko Selimovic (ALDE), 29-02-2016

According to Parliament's Policy Department for Structural and Cohesion Policies, transport is the only sector in the EU in which greenhouse gas emissions have risen since 1990. Transportation is a major cause of air pollution, especially in urban areas, yet the Member States' progress in meeting specific national renewable energy targets in this sector is slow, and the goals have not yet been achieved.

What measures has the Commission taken to intensify the Member States' efforts to meet the goals of lowering greenhouse gas emission levels, reaching the target for renewable energy use in the transport sector and reducing the EU's dependency on imported energy?

See also: Reducing CO2 and pollutants from heavy-duty vehicles, E-005794/2018, Question for written answer to the Commission, Rule 130, Ulrike Müller (ALDE), 15-11-2018; Further action from the Commission following the final report of the EMIS committee, E-002518-18, Question for written answer to the Commission, Rule 130, Cornelia Ernst (GUE/NGL), 07-05-2018; Real Driving Emissions, E-014519-15, Question for written answer to the Commission, Rule 130, Merja Kyllönen (GUE/NGL), 06-11-2015; Changes to exhaust emissions texts, P-001874/2018, Question for written answer to the Commission, Rule 130, Ulrike, Karol Karski (ECR), 28-03-2018; Strategy to ban diesel and fossil fuels, E-001505-18, Question for written answer to the Commission, Rule 130, Răzvan Popa (S&D), 12-03-2018; Air pollution from Euro 6-standard diesel vehicles, E-007034/2016, Question for written answer to the Commission, Rule 130, Lampros Fountoulis (NI), 22-09-2016; Car emission limits after the Volkswagen scandal, E-015783-15, Question for written answer to the Commission, Rule 130, João Ferreira (GUE/NGL), 15-12-2015; Particulate filters, P-015487-15, Question for written answer to the Commission, Rule 130, Piernicola Pedicini (EFDD)++, 07-12-2015; Commission initiatives in regard to use of devices to falsify motor-vehicle emissions data, E-014261-15, Question for
The Commission’s 2016 Strategy for Low-Emission Mobility noted that around a quarter of carbon dioxide emissions in road transport are from buses, coaches and lorries, and cited dealing with this as an urgent priority. In the light of this, the recent proposal on the monitoring and reporting of emissions and fuel consumption from heavy-duty vehicles and the further regulation planned for 2018 on standards are very welcome.

However, there is still an urgent need for progress on cutting air pollution from buses, coaches and lorries in cities, in particular. Could the Commission, therefore, please explain what further action it is taking to regulate and support Member States and regional and city authorities in this respect, including:

1. Ensuring that sufficient funding is both available and effectively promoted through Horizon 2020, the Regional Development Fund and otherwise encouraging the development of cleaner buses, coaches and lorries throughout the European Union, as well as, in the meantime, retrofitting bespoke exhaust systems and other mechanisms to reduce emissions of nitrogen oxides and particulates;

2. Whether further legislative measures are being considered in relation to the compulsory installation in buses, coaches and lorries of diesel particulate filters and selective catalytic reduction equipment, to help tackle air pollution.

See also: Zero emission vehicle (ZEV) mandate for city buses, E-004163-17, Question for written answer to the Commission, Rule 130, Deirdre Clune (PPE), 22-06-2017

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In Paris, Europe recently signed a climate agreement setting a global warming target of 1.5° C. After the Paris Agreement had been stripped of the references to the aviation sector in connection with the emission reduction effort, the ICAO publicly stated that it would press ahead with ambitious climate measures by adopting an energy efficiency standard to be applied to new aircraft designs.
However, there are suspicions that the ICAO is coming under strong pressure from Airbus, and some European decision-makers are entering into negotiations in an attempt to water down the efficiency standard, the end effect of which might be to increase avoidable CO2 emissions by 400 megatonnes between 2020 and 2040.

Civil aviation accounts for roughly 5% of the emissions that cause global warming, at a time when air traffic is growing by 5% to 6% a year and the ICAO is predicting that global emissions from aircraft will treble by 2050.

Can the Commission confirm the information referred to above? What attitude will it take to a possible downward revision of the environmental requirements for civil aviation as regards CO2 emissions?
### Special report 24/2018 of 23 October 2018

Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade

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<td>Special report No 24/2018 of 23 October 2018: Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade</td>
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#### Summary

**Questions asked:**

Was EU support to the commercial-scale demonstration of Carbon capture and storage (CCS) and innovative renewable energy technologies through European Energy Programme for Recovery (EEPR) and New Entrants’ Reserve 300 (NER300) well-designed, managed and coordinated to enable their effective contributions to long-term climate and energy goals?

In particular the Court examined whether:

1. NER300 and EEPR made the expected progress in helping CCS and innovative renewables advance towards commercial deployment;
2. the design and management of NER300 supported effective decision-making;
3. robust coordination mechanisms within the Commission and between it and national authorities support the clean energy innovation process.

#### Findings:

1. Both EEPR and NER300 set ambitious targets for the delivery of carbon capture and storage and innovative renewables
2. EEPR fell short of its ambitions for carbon capture and storage
3. EEPR made a positive contribution to the – fast developing – offshore wind sector
4. NER300 has delivered no successful carbon capture and storage project
5. NER300 is not on track to achieve its intended impact for innovative renewables
6. EEPR and NER300 projects were affected by adverse investment conditions
7. The investment climate for demonstration projects was affected by uncertainty in regulatory frameworks and policies
8. For CCS projects, decreasing carbon market prices and a lack of other support and revenues were key barriers
9. The design of NER300 limited the Commission and Member States’ ability to respond to changing circumstances
10. The chosen NER300 funding model did not effectively de-risk demonstration projects
11. The NER300 project selection and decision-making processes were complex
12. Other NER300 design features slowed down the response to a changing environment
13. Coordination and accountability arrangements require improvement
14. Despite slower than intended progress, the SET-plan provides a basis for improving coordination in Europe
15. Commission services need to improve internal coordination and the coherence of EU support to low carbon demonstration projects
16. NER300 accountability arrangements are not clear enough

**Recommendations:**

The Commission should:

1. increase the potential for effective EU support for such projects;
2. improve the project selection and decision-making procedures for the forthcoming Innovation Fund, and ensure its flexibility to respond to external developments;
3. enhance its internal coordination for more coherent targeting of EU support;
4. ensure accountability for the Innovation Fund and the New Entrants’ Reserve Programme.
5. 

**CONT Committee Working Document; Rapporteur**

**CONT Working Document of 07-12-2018** on ECA Special Report 24/2018 (Discharge 2017): Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade

Rapporteur: Tomáš Zdechovský (EPP)

[Recommendations by the rapporteur, ]
1. Welcomes the Court’s Special Report on ‘Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade’ and sets out its observations and recommendations below;
2. Welcomes the ambitious commitments of the European Union to achieve cutting of its emissions compared to 1990 by at least 20% levels by 2020 and by 40% by 2030, and to spend at least 20% of its budget on climate related action for the 2014-2020 budgeting period;
3. Welcomes the EU ambition of being a global leader in renewables; considers it of high importance for the Commission to continuously demonstrate sufficient leadership and commitment to climate change issues to consolidate its international credibility and impact of its instruments for shaping conditions for the Union’s climate policy and green diplomacy in future years;
4. Believes that more synergies across the various EU bodies, the relevant Commission services and industry partners are needed and the efforts should be combined in order to achieve a conducive environment for the transition to a low carbon economy with innovative low-carbon technologies, by adapting and developing investment conditions and instruments;
5. Stresses that coordination between the Commission services related to climate issues still needs improvement to meet not only the international commitments but also to allow the Union to stay a frontrunner in terms of climate change;
6. Reiterates its call on the Commission to develop intensified coordination of activities in the area of development of new technologies and environmental innovations;
7. Points out the need for the Commission to particularly deliver enhanced coordination among Member States in terms of climate-change related policies to be able to reach the objective of addressing at least 20% of the Union budget to low carbon and climate resilient society;
8. Regrets the lack of low-carbon strategies by the Member States that creates an environment of uncertainty, harming the investments conditions, affecting the financial viability and progress of innovative low-carbon energy demonstration projects and offers only limited possibility of recovering money from failing projects; calls on the Commission to enhance the Member States’ active participation on achieving the lowcarbon objectives;
9. Regrets the general low viability and sustainability of financed projects and the lack of utilization of projects’ tangible results;
10. Believes that better aimed strategies on the EU and national level are needed to succeed in this area; calls on the Commission to develop a concrete overall strategy on reaching the set targets that will entail area-specific action plans including in-depth assessments, detailed measures and instruments, methodology of measurement and reporting, and performance indicators;
11. Call on the Commission to increase in general the compatibility of different budget areas to complement the programmes aimed at building low-carbon economy; regrets the absence of specific targets in substantial parts of the EU budget;
12. Calls on the Commission to swiftly develop conducive environment for the transition to a low carbon economy by adapting its investment conditions and spending frameworks and instruments for innovation and modernisation in all key relevant sectors.
13. 
<table>
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<th>Related EP Reports / Resolutions of other committees</th>
<th>European Parliament resolution of 6 February 2018 on accelerating clean energy innovation (2017/2084(INI))</th>
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<tr>
<td>[The European Parliament,]</td>
<td>C. whereas progress in energy efficiency and renewable energy based innovations and R&amp;D are key to the EU’s future competitiveness, including Europe’s industry; whereas the EU will become ‘the world number one in renewables’ only through the deployment of cost-effective innovations and intensified R&amp;D efforts in this specific sector; whereas implementation of the ‘energy efficiency first’ principle needs to be underpinned by a robust innovation policy at European level, notably related to system integration;</td>
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<td>11. Calls on the Commission to propose, as part of the Union’s industrial policy, a focused, long-term and technology-neutral energy dimension, based on high energy efficiency, further market liberalisation and greater transparency to help avoid investments in stranded assets; stresses that this dimension should be an integral part of the Union’s industrial policy strategy and action plan; stresses the role of innovative processes and technologies in improving emission performance by energy-intensive industries; calls on the Commission to put energy and resource efficiency at the forefront of research and innovation, and encourages the Member States to make accountable investments from ETS auctioning revenues into energy efficiency and sustainable, low-emission technologies; highlights the creation of an Innovation Fund to support innovation in low-carbon technologies and processes during ETS Phase IV; considers vital the promotion of a system of open innovation where industry and companies pool their various expertise and jointly develop high-quality sustainable solutions; recognises the role of the Clean Energy Industrial Competitiveness Forum in the deployment of key energy innovation, including in the photovoltaic and wind sectors, but also possibly for, inter alia, storage solutions, carbon capture and storage and energy-producing bio-processes; welcomes the Commission’s commitment and support to industry-led initiatives to promote the EU’s global leadership in clean energy and low-emission technology solutions;</td>
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<td>15. Calls on the Commission to set up a dedicated inter-service team that would, inter alia:</td>
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<td>(b) identify the relevant stakeholders in the EU’s wider energy innovation ecosystems, at all levels and across all sectors, including offshore wind and other renewable energy technologies;</td>
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<td>23. Believes that FP9 should support initiatives such as ‘100 % renewable cities’, involving cities and local administrations which aim to substantially increase renewable energy capacity for electricity, mobility, heating and cooling in cities through innovation projects, which could potentially include smart grids, energy system management, activities to enable sector coupling and encourage the use of electric vehicles, etc.;</td>
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3. Welcomes the EIB Group’s willingness to enhance EU competitiveness, provide real support for growth and job creation, and contribute to solving socio-economic challenges within and outside the EU, by pursuing its overarching public policy goals relating to innovation, SMEs and midcap finance, infrastructure, the environment, economic and social cohesion, and the climate; recalls that these objectives also necessitate the provision of public goods; insists that, in order to achieve the Europe 2020 strategy objectives successfully, all EIB Group activities should not only be economically sustainable, but also contribute to a smarter, greener and more inclusive EU; calls on the EIB, in this regard, to work with small market participants and community cooperatives to undertake bundling of small-scale renewable energy projects to enable them to be eligible for EIB funding; emphasises the need for coherence between the instruments necessary to reach these objectives;

5. Welcomes the fact that the EIB has affirmed its commitment to supporting the fulfilment of the Paris Agreement; believes that the review of the EIB’s energy lending criteria foreseen for 2018 will be an opportunity for the bank to take stock of the support it gives to the fossil fuels sector and for it to publish the relevant and related comprehensive data; urges the bank, in this context, to publish the concrete action plans deriving from its 2015 Climate Strategy and to align its portfolio with the global average temperature increase target of 1.5 degrees in line with the Paris Agreement, through the swift and complete phasing-out of fossil fuel projects and the prioritisation of energy efficiency and renewable projects; welcomes the Council conclusions of 10 October 2017 on climate finance and highlights the importance of sufficient financing being available for sustainable green investments, including for bio-based industries; calls on the EIB to continue financial support for sustainable, local energy sources in order to overcome Europe’s high level of external energy dependency and ensure security of supply; invites the EIB to consider adopting the OECD Rio climate markers used for tracking and monitoring climate expenditures from the ESI funds in order to better take into account the EIB activities related to cohesion policy in the assessment of the role of ESI funds in tackling climate change;

6. Points out that the EIB has had very mixed results on climate action, despite meeting its 25 % target by a slender margin overall; is concerned that in 16 Member States, EIB support for climate action did not even reach 20 % and that climate action investment in 2016 was predominantly located in the EU’s stronger economies, with 70 % of EFSI support for renewable energy concentrated in just one country – Belgium – and 80 % of energy efficiency investment through the EFSI allocated to France, Finland and Germany;
better estimate and optimise the carbon capture potential of land emissions and ensure safe and durable CO2 sequestration; notes the particular opportunities associated with agroforestry in this regard; points to the important agreement reached at the start of the parliamentary term on ILUC, and hopes that Parliament’s contribution to the negotiations on that occasion can form the basis for an ambitious solution during the forthcoming review of the rules;

31. Stresses the central role that the circular economy will play towards a low-carbon society; notes that actions focusing only on emissions reduction without taking into account the contribution of renewable energy deployment and an efficient use of resources will fall short of their goal; considers that, given the impact on GHG emissions of the exploitation of raw materials and waste management, the transition towards a global circular economy model must be properly addressed by the COP22;

41. Stresses the importance of energy efficiency and renewable energy for reducing emissions as well as for economic savings, energy security and preventing and alleviating energy poverty to protect and help vulnerable and poor households; calls for the global promotion of energy efficiency measures and the development of renewables (e.g. by stimulating self-production and consumption of renewable energy sources) and recalls that energy efficiency and renewables are two of the main goals of the EU’s Energy Union;

European Parliament resolution of 23 June 2016 on the renewable energy progress report (2016/2041(INI))

The European Parliament,

14. Considers that the ERDF and the Cohesion Fund can contribute to meeting the targets under Directive 2009/28/EC and the 2030 Framework for Climate and Energy, as well as funding research and innovation in connection with renewable energy generation, while supporting job creation and economic growth; underlines the importance of thematic concentration within cohesion policy, since this should contribute to channelling investment towards the low-carbon economy, including renewable energies, especially in the light of the prominent role of the thematic objective ‘Supporting the shift towards a low-carbon economy in all sectors’; calls on the Member States to increase their efforts and make best use of the funding opportunities existing for this purpose, while underlining the opportunities for local business development and job creation; recalls the common provisions in the ERDF and the Cohesion Fund supporting the eligibility of projects related to energy efficiency and the use of renewable energy sources in private households, public buildings and enterprises, and believes that regional renewable energy market integration, which could be achieved through such funding, would represent an important contribution of cohesion policy in this respect;

27. Highlights the important contribution of renewable energy in the reduction of overall carbon emissions; stresses the importance of renewable development in achieving the objectives agreed at the COP21;
83. Highlights the potential for reducing emissions and contributing to the low-carbon economy by increased electrification of transport systems.

**European Parliament resolution of 15 December 2015 on Towards a European Energy Union (2015/2113(INI))**

The European Parliament,

AQ. whereas it is recognised that carbon capture and storage (CCS) can make a decisive contribution in the fight against climate change and, specifically, can help reduce the cost of the transition to a decarbonised energy market and a low carbon economy;

80. Points out that in order to successfully balance the internal market, investment is needed not only in interconnectors but also in, inter alia, national grids, fossil fuel power plants fitted with carbon capture technology, new nuclear power plants (in those Member States that wish to have them) as a critical source of low-carbon base load power, storage capacity (such as LNG terminals), smart grids and flexible generation, in order to cope with enhanced renewable and distributed generation;

141. Believes that decarbonisation technologies such as CCS and Carbon Capture and Use (CCU) will need to be further developed and improved through considerable research and innovation efforts, to ensure that such technologies are available to lessen, or even annihilate, the environmental footprint of fossil fuels, which still make up more than 40 % of the EU’s current energy production and which are likely to remain an important energy source in the future;

142. Calls on the Commission to set up the NER400 Innovation Fund, which should support low-carbon demonstration projects, building on the NER300 programme for CCS and renewables, but extending its scope to low-carbon innovation in industrial sectors;

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<th>Oral / Written Questions</th>
<th>Renewables and carbon storage, E-005664-18, Question for written answer to the Commission, Rule 130, Jérôme Lavrilleux (EPP), 07-11-2018</th>
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<td>In report after report, scientists have been warning national and European leaders about the climate crisis. On 8 October 2018, the Intergovernmental Panel on Climate Change (IPCC) published a special report on the impacts of increasing global warming of 1.5 °C. In response to this issue, the European Union has set overall targets, including increasing the share of energy from renewables to 27% and reducing greenhouse gas emissions by 40%. However, despite ambitious targets, on 23 October 2018 the European Court of Auditors published a new report showing that EU action to support carbon capture and storage is insufficient to meet climate and energy targets.</td>
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<td>1. With the launch of the Innovation Fund from 2021, does the Commission intend to separate the two funding programmes, to improve transparency and clarity in the next programme to support carbon capture and storage?</td>
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2. Is the Commission expecting to maintain the fund for the development of offshore wind power?

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**Carbon capture and storage in the EU**, E-000341-18, Question for written answer to the Commission, Rule 130, Antonio López-Istúriz White (EPP), 23-01-2018

In 2015, 195 countries signed the Paris Agreement, undertaking to keep the increase in global temperature below 2°C with regard to pre-industrial levels. All the statistical models used in the agreement assume that, in order to achieve that objective, negative carbon emissions must be reached globally by the end of this century. That means removing more carbon from the atmosphere than we emit, capturing it, and burying it underground.

Most experts agree that the carbon capture and storage (CSS) technologies required to do that are not yet available. They are currently very expensive and only work on a small scale. The model used for the Paris Agreement, however, not only assumes the use of CSS, but also that we will be able to absorb a total of 810 billion tons of CO2 as soon as 2100 (which is equivalent to 20 years of global emissions at the current rate).

Given the importance of CSS technologies, what is the Commission doing to foster research into and the provision of funding for CSS with a view to making it cheaper?

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**Carbon capture and storage**, E-007428-17, Question for written answer to the Commission, Rule 130, Roberta Metsola (EPP), 01-12-2017

In its answer to Written Question E-001716/2015, the Commission mentions that the EU’s Roadmap for Moving to a Competitive Low-Carbon Economy in 2050 and the Energy Roadmap 2050 emphasise the importance of carbon capture and storage (CCS) technology in the low-carbon transition in the energy and industrial sectors in the EU. In its communication entitled ‘A policy framework for climate and energy in the period from 2020 to 2030’, the Commission acknowledges that in some sectors CCS may be the only option available to reduce direct emissions from large-scale industrial processes.

Can the Commission provide an update on the other measures it is planning to take to promote increased use of CCS to reduce direct emissions from large-scale industrial processes?
Carbon storage — a means of tackling climate change, E-006126-17, Question for written answer to the Commission, Rule 130, Jérôme Lavrilleux (EPP), 2909-2017

EU citizens have high expectations as regards tackling climate change and environmental protection. For many years, public opinion and the authorities have focused on controlling and reducing greenhouse gas emissions, including carbon dioxide emissions.

Recent technological advances have opened the door to another solution — that of carbon storage. Norway, which is neighbour of the EU with a special status, appears to be at the forefront of this technology. In view of the environmental and economic benefits that the emergence and democratisation of a carbon storage and use process could generate, can the Commission state:

1. whether it plans to establish a specific research programme in this field;
2. whether the current regulatory framework would permit the emergence of a carbon storage and use industry?
3. whether the carbon market might evolve in such a way that encourages carbon-emitting industries to adopt carbon storage technologies?

Carbon capture, hydrogen production and R&D at Elcogas, E-007824-15, Question for written answer to the Commission, Rule 130, Sergio Gutiérrez Prieto (S&D), Edouard Martin (S&D), 19-05-2015

For over a year now the Elcogas IGCC power plant has been under threat of closure. Lack of institutional support and the passivity of the Spanish Government — which continuously promises to set up a specific regulatory framework for the plant but then fails to do so — may well cause it to close, which would deal a severe blow to the local and regional economy and employment situation.

However, apart from its commercial production, the Elcogas plant has been carrying out an R&D process on clean coal that is internationally recognised. Furthermore, it is associated with various universities and companies, such as a research group on membranes for CO2 capture, and it has received numerous awards for innovation and good practice, including one from the IEA in 2012.

This power plant, which received EU funding and was inaugurated in 2010, is a leader in the field of CO2 capture and hydrogen production, as well as carrying out research on the use of alternative fuels such as urban waste, etc., and local coal and coke.

1. In view of Elcogas’ importance in the field of research, does the Commission not consider that steps should be taken at an EU level in order to ensure its continuity?
2. Is this not an example of an enterprise committed to R&D&i that should be exported as a model of good practice in this sector?
**Plomin power plants and CCS [Carbon Capture and Storage], E-000872-15, Question for written answer to the Commission, Rule 130, Ivan Jakovčić (ALDE), 22-01-2015**

The Croatian County of Istria has on its territory the power plants Plomin 1 and 2. As these power plants have for decades been running exclusively on coal fuel, they are a major pollutant of the environment. Some studies show that the threat to the health of the citizens of the town of Labin and the municipalities of Raša, Kršan, Pican and Sveta Nedelja is exceptionally high, and an increased death rate is also mentioned. It is well known, of course, that the use of coal results in high CO2 emissions.

1. I ask the Commission what possibilities exist for the use of the CCS system in the thermal power plants Plomin 1 and 2?

2. Is it intended to provide subsidies for environmental protection through the use of CCS? Do these subsidies relate to the private or the public sector, or both?

**NER300 Funding Facility — 2015-2020 Period, E-013061-15, Question for written answer to the Commission, Rule 130, Sergio Gutiérrez Prieto (S&D), 24-09-2015**

In the joint answer to the questions E-007824/15 and E-007823/15, Mr Arias Cañete, on behalf of the Commission, made reference to the NER300 programme. One of the objectives of this programme is to support the research, development and implementation of CCS technologies such as those used in the Elcogas pilot pre-combustion carbon capture plant.

However, according to the information currently available, the NER300 programme has now ended as there have been two calls for projects.

Early last year, in the communication COM(2014) 15 on a policy framework for climate and energy in the period from 2020 to 2030, the Commission proposed to explore the possibility of renewing the NER300 funding facility and extending it for a further decade, and in October 2014 the European Council gave an official ruling to that effect.

In view of the above, and given the evidence that the facility is beneficial with regard to climate, energy and innovation targets, does the Commission not think it is necessary to ensure that the programme does not come to a standstill, by setting aside new funding for the period 2015-2020?
## Special report 26/2018 of 10 October 2018
### A series of delays in Customs IT systems: what went wrong?

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**Short summary of questions asked, findings and recommendations**

**Questions asked:**

Are the Customs 2020 programme and the related customs legislation likely to deliver the IT systems necessary for improving customs operations in the EU?

The audit focused on the development of the Union components of new IT systems. With regards to the national components, it only examined the Commission's supervisory role in coordinating the Member States' implementation in their national IT systems. The audit was carried out during the implementation stage of the programme. It examined whether the programme ensures that IT systems are developed and implemented in a timely manner.

**Findings:**

1. **Implementation of new IT systems for customs suffered a series of delays**
   - c) Delivery of some key IT systems required by the Union Customs Code is delayed beyond 2020
   - d) There is a risk of not meeting the newly proposed 2025 deadline

2. **Changing scope, insufficient resources allocated and a lengthy decision making process were the main reasons for delays**
3. The Commission was late in reporting the delays

4. The initial development approach selected was not the most cost efficient

5. The Customs 2020 programme objectives and reporting arrangements are not suitable for monitoring the IT systems’ implementation.

Recommendations:

1. Gear programme design towards IT implementation: for the next Customs programme, the Commission should propose:
   (a) objectives that relate explicitly to the planned IT systems to be developed; and
   (b) objectives which are precise and measurable.

2. Improving IT project time, resource and scope estimates: for future Customs programmes, the Commission should:
   (a) when preparing the timelines and resource allocations, ensure that the lessons from previous programmes (such as risks related to the IT environment and project complexity) are duly taken into account; and
   (b) provide Member States with adequate information to take an informed decision on the scope of the projects in due time.

3. Facilitate cooperative IT development: the Commission should:
   (a) monitor the risk that a Member State might miss deadlines for implementing the national components and, at an early stage, identify potential solutions and facilitate their application at national level; and
   (b) facilitate a wider use of collaborative IT development between Member States.
4. Streamlining governance by enhancing communication: the Commission should streamline the governance of customs IT systems development, by ensuring more efficient and swift communication with Member States, for example by using additional information exchange solutions to allow decisions to be taken without delay.

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<tr>
<td>Rapporteur: Nedzhmi Ali</td>
<td>[Recommendations by the rapporteur, ]</td>
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<td>2. Praises the analysis of the situation and the conclusions presented by the ECA;</td>
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<td>3. Welcomes the recommendations to the Commission directed toward modernization of customs processes that is a key to the functioning of the EU; appreciates the approach of taking into account of the lessons learned with the Customs 2020 programme;</td>
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<td>4. Points out that the Commission, despite some additional explanations and disagreements on a part of the observations, accepts all of the recommendations in ECA’s Special report;</td>
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<td>5. While for the next programme, the Commission envisions 950 million Euros in current prices and there is a consensus with the European Parliament on this number, it is imperative that the implementation will be on time, with the full scope and within the financial limits;</td>
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<td>6. There is a need to have in place a sound Multi-Annual Strategic Plan setting down a strategic framework and milestones for managing IT projects coherently and effectively; the objectives, the indicators, timetable and the necessary financial resources to be correctly set in that Plan;</td>
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<td>7. As with the beginning of the new MFF several programmes, for example EU Anti-fraud Programme, FISCALIS and Customs, as well as the Integrated Border Management Fund should act in synergy, there is a need of impact assessment of the negative influence of possible delays in implementation of one of the elements to the functioning of the whole system;</td>
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<td>8. It is imperative to implement Performance based budgeting in order to improve the outcomes and to assure achievement the objectives of the programme;</td>
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<td>9. While the Member States have not used their 20% share of collection costs retained from customs duties for covering expenditure for implementing customs IT system, the committee supports the Commission’s own resources proposal to reduce the percentage of collection costs to 10%</td>
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European Parliament resolution of 19 January 2017 on tackling the challenges of the Union Customs Code implementation (2016/3024(RSP))

[The European Parliament, ]

2. Suggests, in particular, stepping up efforts to create more uniform electronic customs requirements and risk-assessment programmes at EU level within the time imparted by the UCC, in order to ensure that the arrival, transit and exit of goods are registered in the EU as effectively as possible – while not compromising security – by interconnecting Member States’ systems to form a coherent electronic system based on the same data model and common movement systems; believes that the Commission should take a proactive approach in this respect, in particular through a co-financing arrangement to ensure the development of interoperable IT systems and to guarantee interoperability with other IT systems for health and animal health certificates;

3. Calls on the Commission and the Member States to cooperate closely with economic operators at every stage of development of the UCC implementation, as well as in the process of amending the UCC delegated acts, and supports the regular consultation process with the Trade Contact Group to this end;

5. Reminds the Commission of its commitment to creating a genuine Digital Single Market, of which the facilitation of trade from e-commerce should be a key component; stresses that every economic operator should respect standards on customs processes in order to avoid loopholes in customs procedures, and acknowledges that existing simplified customs procedures should not be taken away from economic operators if they are compatible with safety, security and intellectual property rules, for example in the case of the express delivery operators of low-value shipments, who with the UCC provisions will be subject to standard customs processes that could constitute red tape and hamper growth in e-commerce;

6. Asks the Commission to take the opportunity of the current drafting of implementation measures to address the abovementioned objectives and to swiftly rectify any legal shortcomings, in order to maximise the opportunities of the Customs Union.

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European Parliament resolution of 16 May 2017 on the evaluation of external aspects of the customs performance and management as a tool to facilitate trade and fight illicit trade (2016/2075(INI))

[The European Parliament, ]

6. Recalls that the opportunity provided by the UCC and its rules on interconnected IT systems and electronic exchanges should be used to access data on reliable and legal trade and make it available through channels other than customs declarations, for example through international mutual
exchange programmes such as the AEO (Authorised Economic Operator) programme or the Smart and Secure Trade Lanes (SSTL) project, with the aim of facilitating exchanges;

7. Recalls that the development of the required IT systems needs sufficient financing and calls on the Commission and the Member States to ensure the availability of resources for the necessary IT systems in order to meet the objectives of the EU Strategy and Action Plan for customs risk management;

8. Calls on the Commission to push for wider utilisation of the AEO programme; stresses the importance of promoting its benefits for trade whilst preserving stringent rules of compliance, as well as its robustness, reliability and compliance with third countries’ customs rules in trade agreement negotiations;

9. Asks the Commission to coordinate and cooperate with customs, border agencies on the ground and stakeholders within the EU, as well as with its trade partners, in the area of data sharing, in particular as regards recognition of custom controls, trusted trade partners and mitigation strategies for dismantling illicit trade networks; calls on the Commission to improve and step up cooperation among its DGs on customs matters and, where necessary, to promote improved coordination between customs and law enforcement authorities, in particular regarding organised crime, security and the fight against terrorism, at both national and EU level;

11. Urges the Commission to continue working on the implementation of the EU Strategy and Action Plan for customs risk management, notably in the areas of availability of data, access to and exchange of information for customs risk management purposes, and the strengthening of capacities;

15. Reminds the Member States and the Commission of the importance of ensuring the timely availability of sufficient resources for the necessary IT systems in order that the objectives of the EU Strategy and Action Plan for customs risk management can be met while ensuring the interoperability of systems to the benefit of customs authorities, legitimate traders and, ultimately, consumers and promoting jobs and economic growth in the EU;

18. Calls on Member State customs authorities to proactively use electronic data sharing facilities in order to cooperate with law enforcement agencies in the identification of anomalies in trade value mispricing and thus combat illicit financial flows and trade-based money laundering.

**Oral / Written Questions**

**Deepening of the EU customs union**, E-005912/2017, Question for written answer to the Commission, Rule 130, Jasenko Selimovic (ALDE), 25-09-2017

In its resolution adopted in January 2017(1), Parliament pointed out that different customs systems at national level, in particular as regards customs duties and customs clearance, create fragmentation, additional administrative burdens (in particular for small and medium-sized
enterprises) and delays. In particular, Parliament suggested that more uniform electronic customs requirements and risk-assessment programmes at EU level would help to remedy such a situation:

‘Suggests, in particular, stepping up efforts to create more uniform electronic customs requirements and risk-assessment programmes at EU level within the time imparted by the UCC, in order to ensure that the arrival, transit and exit of goods are registered in the EU as effectively as possible — while not compromising security — by interconnecting Member States’ systems to form a coherent electronic system based on the same data model and common movement systems; believes that the Commission should take a proactive approach in this respect, in particular through a co-financing arrangement to ensure the development of interoperable IT systems and to guarantee interoperability with other IT systems for health and animal health certificates’

Does the European Commission envisage exploring such a solution and, if yes, how?

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The deadline of 2020 for the transition provisions, E-005479/2017, Question for written answer to the Commission, Rule 130, Maria Grapini (S&D), 04-09-2017

The customs Union is essential for the security of the internal market in terms of ethical and equitable competitiveness, but also as regards product quality safety and consumer protection.

The Commission’s message that the transition provisions, which have been implemented since 2016 and whose deadline was 2020, may be extended, due to non-completion of the customs authorities’ computerisation, endangers the objectives made from being achieved.

What are the causes and what measures does the Commission plan to take in order to comply with the deadline of 2020 for UCC operation?

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Progress Report on the implementation of the EU Strategy and Action Plan for customs risk management, E-009518/2016, Question for written answer to the Commission, Rule 130, Inmaculada Rodríguez-Piñero Fernández (S&D), 15-12-2016

The progress report on the implementation of the EU Strategy and Action Plan for customs risk management highlights that ‘insufficient financing to develop the required IT systems is a major issue hampering progress, most notably in relation to the new Import Control System. Whilst being recognised as a European Information System in the Customs 2020 Regulation, the Customs 2020 programme budget is insufficient to cover the costs of IT implementation.’
In addition, the report stresses that ‘in the absence of additional resources, a number of actions will not be able to be implemented by the end of 2020, as envisaged in the strategy and Action Plan’ and that ‘a delay would also affect the implementation of commitments to customs-related aspects in the context of the European Agenda on Security.’

— What is the current EU budget allocated to developing the required IT systems within the Customs 2020 programme budget and what amount of financing would be necessary in order to achieve the objectives of the strategy and Action Plan for customs risk management?

— What specific actions would not be able to be implemented by the end of 2020 if additional resources were not allocated to IT implementation?

See also: Functioning and efficiency of the Customs Union, E-008052/2014, Question for written answer to the Commission, Rule 130, Kaja Kallas (ALDE), 16-10-2014; Simplified customs procedure for e-commerce, E-008800/2014, Question for written answer to the Commission, Rule 130, Roberta Metsola (PPE), 05-11-2014
This rolling check-list presents an overview of the European Court of Auditors’ (ECA) special reports, concentrating on those relevant for the 2017 discharge procedure. It strives to link the research topics of the special reports to relevant debates and positions within the European Parliament, including the working documents of the Committee on Budgetary Control, the work of the specialised parliamentary committees, plenary resolutions and individual questions by Members.