



CONT NEWS - ISSUE N°15

MEETING OF MONDAY 23 MAY 2016

15.00 - 18.30 public meeting

TUESDAY 24 MAY 2016

09.00 - 12.30 and 15.00 - 18.30 public meeting

Room: Altiero Spinelli (3E2)

1. ADOPTION OF AGENDA

The [draft agenda](#) (in EN) was emailed to Members on 10 May 2016 and is in the [file for the meeting](#).

The Chairman would like to draw your attention to the following change in the draft agenda:

Item 6 on Annual report of OLAF Supervisory Committee will now take place at 15.00, before item 4 on Partial renewal of Members of the Court of Auditors (hearing of Rimantas Šadžius).

2. CHAIR'S ANNOUNCEMENTS

The Chairman draws attention to the following points:

Languages available

23 May pm	FR, DE, IT, NL, EN, DA, ES, CS, PL, SL, BG, RO
24 May am	FR, DE, IT, NL, EN, DA, ES, CS, PL, SL, LT, RO
24 May pm	FR, DE, IT, NL, EN, DA, ES, CS, HU, PL, SL, BG

Webstreaming

The CONT meeting is webstreamed on the [Europarl web-site](#).

Please be aware that each time a speaker activates the microphone to make an intervention, the camera will be automatically directed to the speaker.

Voting cards

The electronic voting system will be used for the votes scheduled on 23 and 24 May and Members are reminded to bring their electronic voting card.

3. APPROVAL OF MINUTES OF MEETING OF:

The following minutes are published on the [CONT website](#):

- 16 February 2016,
- 22-23 February 2016,
- 29 February 2016,



- 15 March 2016,
which were emailed to CONT Members on 27 April 2016
- 4 April 2016
- 7 April 2016
- 20-21 April 2016
which were emailed to CONT Members on 18 May 2016

If no objections are received before the end of the meeting, the minutes will be deemed to be approved.

Please be aware that the summary of the recommendations concerning the CONT Coordinators' meeting held on 23 February 2016, 7 April 2016 and 20 April 2016 are attached to the corresponding minutes and were endorsed by the Committee by written procedure.

MONDAY 23 MAY 2016

15.00 - 16.00

PUBLIC MEETING

6. ANNUAL REPORT OF OLAF SUPERVISORY COMMITTEE



Presentation of the 2015 Annual Activity Report of OLAF Supervisory Committee

Administrator: Christian Ehlers

The CONT secretariat received from the Supervisory Committee (SC) of the European Anti-Fraud Office (OLAF) its 2015 Annual Activity report and also the opinions 1 - 3/2015. They were sent to Members on 21 April 2016.

In 2015, the main focus of the Committee's work was the assessment of OLAF's internal legality check and review function, the management of the duration of investigations and the follow-up given to OLAF's recommendations. The Committee also reviewed the implementation of its own recommendations to OLAF.

The Investigation Policy Priorities for the year 2016 (opinion 2/2015) will traditionally also be on the agenda of the Inter-Institutional OLAF Dialog.

OLAF reacted to these documents in two notes of 12 May which were mailed to Members on 13 May 2016.

The presentation of the Annual Activity Report 2015 will be followed by an exchange of views.



MONDAY 23 MAY 2016

16.00 - 16.45

PUBLIC MEETING

4. PARTIAL RENEWAL OF MEMBERS OF THE COURT OF AUDITORS - LT NOMINEE



Hearing of Rimantas Šadžius - Candidate nominated by the Lithuanian authorities

Rapporteur: [Bart Staes](#) (Greens/ALE)
Administrator: Mauro de Oliveira

The Chair reminds the Members to bring their electronic voting card, as there will be an electronic vote at the end of this session.

Background

The Members of the European Court of Auditors shall be appointed for a term of six years. In accordance with Article 286(2) of the TFEU the Council, after consulting the European Parliament shall adopt the list of Members drawn up in accordance with the proposals made by each Member State.

The following candidate has been proposed by Lithuania: **Rimantas Šadžius**

Appointments to the ECA are submitted to Parliament's plenary on the basis of a report from CONT, which takes into account, among others circumstances, Article 286(1) of the TFEU: "the Members of the Court of Auditors shall be chosen from among persons who belong or have belonged in their respective States to external audit bodies or who are especially qualified for this office. Their independence must be beyond doubt."

A. Procedure

According to Rule 121 (1) of Parliament's Rules of Procedure, "candidates nominated as Members of the Court of Auditors shall be invited to make a statement before the committee responsible and answer questions put by members. The committee shall vote on each nomination separately by secret ballot."

I. Questionnaires and statements

In preparation for the hearing, the **candidate** has been asked to answer the **questionnaire** prepared by CONT.

II. The hearing

The hearing will take place according to the timetable set out in the draft agenda. The candidate will be invited to make an opening statement (5 minutes) and the remainder of his hearing will be devoted to replies to questions from Members (40 minutes).

III. Evaluation, votes and adoption of draft report

Once the hearing has been completed, the committee will hold an evaluation of the candidate and then proceed to vote on the appointment of the candidate in question. Evaluation, votes and adoption of draft report **will be in camera**. In accordance with Rule 181 the vote may be carried out by means of the electronic voting system.



According to Rule 121, the committee shall vote by secret ballot. Members should indicate for each candidate whether they give a favourable opinion, a negative opinion or abstain.

In accordance with Rule 182 (4), between two and eight Members shall be chosen by lot to count the votes cast unless an electronic vote is taken. The discussion and vote in plenary is scheduled to take place in the June session.

B. The report

The format of opinions on candidates for membership of the Court of Auditors is defined as follows¹:

- a) each recommendation on each nomination shall be submitted in the form of a report, to be adopted on the basis of a majority of the votes cast, with the report merely indicating the nomination;
- b) the report shall consist of:
 - i. citations summarising the circumstances of the referral to Parliament;
 - ii. recitals outlining the procedure to the competent committee;
 - iii. operative text which may only consist of a favourable opinion or an unfavourable opinion;
- c) citations and recitals shall not be put to the vote;"

These strict rules on procedures, before the Committee on Budgetary Control and in plenary sitting, adopted by Parliament **do not allow any amendments** to be tabled to the draft report.

The draft report will be finalised, according to the outcome of the evaluation and the vote in committee. The candidate's curriculum vitae and the answers to CONT questionnaire shall be annexed to the report.

The [draft report](#) in EN was emailed to Members on 27 of April 2016.

The report for plenary will state that Parliament delivers either a favourable or a negative opinion on the appointment of the candidate.

CONT Timetable:

Event	Body	Date
Adoption in Plenary	Plenary	JUNE I

MONDAY 23 MAY 2016

16.45 - 17.00

IN CAMERA

5. EVALUATION, VOTES AND ADOPTION OF DRAFT REPORT

¹ Parliament's resolution of 4 February 2014



MONDAY 23 MAY 2016

17.00 - 18.30

PUBLIC MEETING

7. ECA SPECIAL REPORT 5/2016 (2015 DISCHARGE): "HAS THE COMMISSION ENSURED EFFECTIVE IMPLEMENTATION OF THE SERVICES DIRECTIVE?"



Presentation of the Special Report by the Member of the European Court of Auditors responsible, Neven Mates, and consideration of a working document

Rapporteur: [Nedzhmi Ali](#) (ALDE)

Administrator: Tereza Pinto de Rezende

The Service Directive was adopted in 2006 with the aim of reducing legal and administrative barriers to both providers and recipients of services, in order to make it easier for businesses and consumers to provide or use services in the Single Market. For that purpose, Member States (MS) should transpose the Directive into national legislation by 2009, which most of the MS did not do, and should also increase transparency and simplify administrative procedures.

The Court's audit focused on the actions that the European Commission had taken to support the MS in addition to an examination of the enforcement measures which should resolve the issues of non-compliance that restrict the proper functioning of the single market for services. According to the Court, the Commission monitored progress and provided support to help implement the Directive during and after transposition by organising the mutual evaluation process as well as providing guidance during regular thematic expert group meetings. However, the Commission did not sufficiently follow up on the existing obstacles identified in mutual evaluations and performance checks in targeted sectors, and showed reluctance to challenge the justification of 'proportionality' used by some MS to maintain non-compliant requirements. In addition, also according to the Court, the Commission has been only partially effective in ensuring the implementation of the Directive, showing some reluctance to pursue legal proceedings, in part due to the length of the judicial procedure but also due to a lack of strength in the legislation.

Amongst its recommendations, the Court in particular asks the Commission to be bolder in enforcing the Directive by:

- a) following-up results from exercises such as the mutual evaluation and performance checks to resolve non-compliance; and, along with MS, addressing the most economically significant issues;
- b) starting EU Pilot cases as soon as possible when an issue is identified and share the information on resolutions;
- c) reducing the length of infringement procedures as much as possible;
- d) referring important issues on non-implementation and incorrect application to the Court of Justice;

The Commission should draft guidance for transposition and issue it as soon as possible after adoption. It should also ensure that the issue of data needed for assessing the impact of new legislation is addressed early in the legislative procedure;

Member States should respect the Points of Single Contact (PSC) Charter by, for example, making information available in multiple languages and enabling completion of all administrative steps necessary for provision of services across borders;



The legislator should introduce a standstill period for the notification of draft requirements and ensure that they are published on a publicly available website to allow better access and timely scrutiny.

Finally, among other, the Court considers that the revision of the Consumer Protection Cooperation Regulation should extend the scope to include Article 20 of the Services Directive (article on non-discrimination).

The Commission agreed with the Court's recommendations except the sharing of information on EU Pilot cases as it considers it breaks the Commission's confidentiality relationship with the MS.

The Rapporteur welcomed the Court's report and endorsed its recommendations. He considers that more sectors should be included in the scope of the Directive in order to ensure the EU's full potential for growth, competitiveness and jobs. The Commission should develop a study to estimate the output gains of the Directive. At the same time the Rapporteur criticizes the Commission for not having invested in a communication strategy to raise awareness of business and consumer to some of the Directive tools, as the Points of Single Contact, the Internal Market Information System and the European Consumer Centres. The Rapporteur considers that Member States could have made better use of the Commission's support to implementation and enforcement and invests more in sharing problems and exchanging best practices. The IMCO committee was invited to the presentation and have invited the Court to present this SR at their meeting of 30th May.

The Rapporteur's working document (EN) is available on the [CONT website](#).

The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2015. Amendments may be tabled in this context.

8. TOWARDS A DEFINITIVE VAT SYSTEM AND FIGHTING VAT FRAUD



Consideration of draft opinion

Rapporteur: [Nedzhmi Ali](#) (ALDE)
Administrator: Olivier Sautière
Main Committee: ECON

In his draft opinion, the Rapporteur, Mr Ali welcomes the new VAT action plan as an important initiative to concur with the implementation of the political priority 'A deeper and fairer internal market' through the EU Digital Single Market Strategy and the Single EU VAT Area while including further steps forward towards a more sustainable and fraud-proof definitive VAT tax system.

He also believes that enhanced cooperation efforts between the Member States is urgently needed to set up integrated strategies to cope with intra-EU VAT evasion and fraud mechanisms and to manage cross-border transactions, particularly with the increase in e-commerce, which has weakened territorial control over VAT collection. Likewise, the Rapporteur points out that effective action to reduce the VAT gap is required via a concerted and multidisciplinary taking account of the combination of other factors than fraud such as bankruptcy, statistical errors or tax evasion and tax avoidance.

Furthermore, he highlights the need to set up a common system to refine the estimation of the size of intra-EU VAT fraud and to have reliable data on VAT carousel fraud while stressing the need to speed up exchanges of information through Eurofisc and the reliability of the VAT Information Exchange System (VIES).



Finally, the Rapporteur reiterates Parliament's stance on the urgent need to adopt the PIF Directive and the EPPO Regulation, with VAT included in their scope and encourages the Commission and the Member States to be more active at international level and to strengthen cooperation with non-EU countries.

The draft opinion is available on the [CONT website](#).

CONT Timetable:

Event	Body	Date
Deadline for amendments	CONT	30/05/2016
Adoption in CONT	CONT	27/06/2016
Adoption in ECON	ECON	13/07/2016
Adoption in Plenary	Plenary	SEPTEMBER

9. CONT MISSION TO GERMANY (3 TO 5 NOVEMBER 2015)

Presentation of the Report on CONT mission to Germany



Rapporteur: [Ingeborg Gräßle](#) (EPP)

Administrator: Christian Ehlers

From 3 to 5 November 2015 a CONT delegation paid a visit to Berlin, Mecklenburg-Vorpommern and Hamburg. The political objectives were twofold: to discuss the calculation collection and management of own resources, and to follow-up on structural funds' programmes under reservations. The delegation arrived at the following conclusions and recommendations:

Conclusions

- The effectiveness of the European Parliament's Committee on Budgetary Control political efforts can be further increased if it stays in regular contact with its national counterparts.
- The current own-resource system is complex and would benefit from simplification.
- The CONT delegation fully supported the findings in the Special Report 11/2013 on Gross National Income (GNI) data issued by the European Court of Auditors (ECA).
- The German "VAT gap" (the difference between the theoretical tax liability according to the tax law and the actual revenue collected) is estimated at 11,2 % in 2013; the percentage amounts to EUR 24,873 million.
- Financial engineering instruments are an attractive source of finance in a competitive business environment
- European legislation in the area of structural funds is often considered to be too complex and unclear.
- Cooperation between different national and European bodies working on security risk analysis in trade has proven very important

Recommendations

- National parliaments should be encouraged to support national declarations for the implementation of European funds with the view to establishing a single audit chain.
- National parliaments should support the European Parliament's endeavour to hold the Council to account.
- A more accountable, transparent, simple financing system of the EU budget needs to be established.
- The CONT delegation reiterated its demands on GNI data as voted in the 2013 Commission discharge resolution.
- Member States should increase their administrative cooperation in EUROFISC



- The use of Intermediate Bodies (IB) and multitude of different instruments should be avoided as they increase the risk of error.
- Management Authorities (MAs) and Audit Authorities (AAs) should be asked for concrete proposals which legal provisions should be simplified (Done by letter from the Chair to the respective MAs and AAs).
- OLAF should strengthen its coordinating role in the cooperation between different national and European bodies working on security risk analysis in trade

TUESDAY 24 MAY 2016

09.00 - 11.30

PUBLIC MEETING

***** ELECTRONIC VOTING *****

10. AMENDING REGULATION (EU, EURATOM) No 883/2013, AS REGARDS THE SECRETARIAT OF THE SUPERVISORY COMMITTEE OF THE EUROPEAN ANTI-FRAUD OFFICE (OLAF)"



Adoption of draft report

Rapporteur: [Ingeborg Gräßle](#) (EPP)
Administrator: Christian Ehlers

On this occasion the committee will vote on the draft report in a single vote.

Members will also be asked to vote in favour of a negotiating mandate and team. The mandate would be the adopted report and the negotiating team could be composed by the rapporteur and the shadow rapporteurs for this file (please see Rule 73 of Parliament's Rules of Procedure).

A negotiation with the other Institutions (trilogue) could become necessary as according to unofficial information received, the Council might wish to modify some wording in the Commission proposal.

Should a trilogue be organised, the outcome of the latter will be submitted to CONT for approval.

It is recalled that the Chair had indicated in April that she strives for a political settlement of the proposal under the Dutch Presidency.

11. PROTOCOL TO ELIMINATE ILLICIT TRADE IN TOBACCO PRODUCTS TO THE WHO FRAMEWORK CONVENTION ON TOBACCO CONTROL, IN SO FAR AS THE PROVISIONS OF THE PROTOCOL WHICH FALL UNDER TITLE V OF PART III OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION ARE CONCERNED



Adoption of draft opinion

Rapporteur: [Ingeborg Gräßle](#) (EPP)
Administrator: Philippe Godts
Main Committee: LIBE

In her draft opinion, the Rapporteur welcomes the Council proposal for the conclusion on behalf of the EU of the protocol to eliminate illicit trade in tobacco products and evaluates the functioning of the tobacco agreements with the "big four" companies. She believes that there is a need for a general track- and trace system, due diligence ("know your customer") and other efficient measures to be applied to raw cut tobacco, filters and papers used by the tobacco industry as an additional tool to combat contraband and counterfeit products.

13 amendments were tabled to the opinion. The English version of the amendments was circulated to CONT Members on 13 May 2016. All the linguistic versions are available on [CONT website](#).

The voting list will be circulated on 19 May 2016.

CONT Timetable:

Event	Body	Date
Adoption in CONT	CONT	24/05/2016
Adoption in LIBE	LIBE	30/05/2016

*** END OF ELECTRONIC VOTING ***

12. PERFORMANCE-BASED BUDGETING

Exchange of view with Nadia Calviño, Director-General for Budget of the European Commission

- BUDG Committee Members have been invited to this exchange of views as well as Members of specialised committees responsible for the management of EU funds



Administrator: Philippe Godts

In the resolution accompanying the decision to grant discharge to the Commission for 2014 adopted on 28 April 2016 (Rapporteur Martina Dlabajova), the Parliament "welcomes the establishment of the inter-institutional working group on performance based budgeting that has only recently started its work and encourages all parties involved to accelerate its work while ensuring that a high quality set of indicators is agreed".

The first expert meeting on performance based budgeting took place on 22 April in the premises of the European Commission chaired by the Director General, Ms Nadia Calviño.

At this occasion, the general principles of the performance based budgeting and the performance framework of the EU Budget were discussed. Among other, the Commission proposed that the next expert meeting could focus on performance indicators.



The resolution accompanying the decision granting discharge to the Commission for the financial year 2014 deepens the "performance dimension" of the discharge (points 16 to 40 of Ms Dlavajová' report : "getting results from the budget"). The resolution underlines that EU funding must efficiently achieve its aims, projects should be aligned with EU policies and better synergies should be achieved among all available resources and political objectives. Among other, the Parliament:

- recalls that in its resolutions accompanying the discharge decisions for the last 4 financial exercises (since 2013), the Parliament asked the Commission to focus the TFEU Article 318 report on the implementation of the EU ten years growth and jobs strategy and its real performance and results;
- points out that the introduction of common performance indicators for each fund would be an important step forward;
- takes note of inherent weaknesses in the performance framework of the common provisions regulation on ESIFs, for instance the limited role of the performance reserve;
- asks the Commission to include in the next evaluation report provided for in Article 318 TFEU an analysis of the efficiency, the effectiveness and the results achieved by the "Juncker investment plan" (EUR 315 billion)
- asks that partnership agreements and programmes translate the Union level objectives into thematic objectives that can be linked to operational objectives at the level of the Member States or in the programmes directly managed by the Commission,
- asks that Member States should include in their partnership agreements and programmes a statement about the quantifiable results that the funding are intended to achieve, and
- that all partnership agreements and programmes should include common results indicators where possible shared by different funds, designed to monitor progress at Member States and Union level.

At this CONT meeting, Members will hold an exchange of views with Ms Nadia Calviño on the Commission's "Budget Focused on Results" initiative, aiming at enhancing the effectiveness of EU budgetary spending.

13. PRESENTATION OF ECA SPECIAL REPORT 1/2016 (2015 DISCHARGE) ON "IS THE COMMISSION'S SYSTEM FOR PERFORMANCE MEASUREMENT IN RELATION TO FARMERS' INCOMES WELL DESIGNED AND BASED ON SOUND DATA?"



Presentation of the Special Report by the Member of the European Court of Auditors responsible, *Rasa Budbergytė*, and consideration of a working document

Rapporteur: [Claudia Schmidt](#) (EPP)
Administrator: Philippe Godts

The aim of the Court's audit was mainly to examine the Commission's tools for measuring farmers' incomes and its use of income-related data for assessing the performance of CAP measures aimed at viable food production and supporting the income of farmers. The overall audit question was whether 'the Commission's system for measuring the performance of the CAP in relation to farmers' incomes well designed and based on sound data?'

More specifically, the audit aimed to answer the following questions:



- Has the Commission clearly established what statistical data are needed for the effective performance assessment of CAP measures in support of farmers' incomes?
- Did the Commission and Member States ensure that the data used for the measurements of farmers' incomes are of appropriate quality?
- Did the Commission define relevant indicators allowing for the effective performance assessment of CAP measures in support of farmers' incomes?

The Court concludes that the Commission's system for measuring the performance of the CAP in relation to farmers' incomes is not sufficiently well designed and the quality and quantity of statistical data used to analyse farmers' incomes have significant limitations.

The Rapporteur endorses the main recommendations of the Court and in particular requests that:

- The Commission develops a more comprehensive statistical framework to provide information on the disposable income of farm households and to better capture the standard of living of farmers. For this purpose the Commission should, in cooperation with the Member States and based on a common methodology, consider how best to develop and combine existing EU statistical instruments;
- the Commission improves the framework for the comparison of farmers' incomes with incomes in other sectors of the economy.

The English version of the working document had been circulated on 17 May 2016 and is available on the [CONT website](#).

The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2015. Amendments may be tabled in this context.

14. PRESENTATION OF ECA SPECIAL REPORT 23/2015 ON "WATER QUALITY IN THE DANUBE RIVER BASIN: PROGRESS IN IMPLEMENTING THE WATER FRAMEWORK DIRECTIVE BUT STILL SOME WAY TO GO"



Presentation of the Special Report by the Member of the European Court of Auditors responsible, George Pufan, and consideration of a working document

Rapporteur: [Tamas Deutsch](#) (EPP)
Administrator: Hrvoje Svetic

Making available a sufficient quantity of good quality water for people's needs and for the environment is the main aim of the EU water policy. The water framework directive (WFD) harmonised the previously existing EU legislation in the field of water policy. As water pollution originates from various sources such as households, industrial installations and agriculture, the WFD introduced the river basin management plan as a key implementation tool of the policy.

The Danube river basin is Europe's largest river basin, touches 19 different countries and is vulnerable to water pollution coming from various sources. The main funding sources supporting the water policy from the EU budget are the European Regional Development Fund (ERDF) and the Cohesion Fund, as well as the European Agricultural Fund for Rural Development (EAFRD). The bulk of the funding allocated in the 2007-2013 programme period from the ERDF and the Cohesion fund went to infrastructure projects in the field of waste water, and amounted to EUR 6.35 billion for nine Member states in the Danube river basin. The ERDF, with EUR 6.39 billion under the 2007-2013 period, has a number of measures in the rural development programmes



which can have either a direct or an indirect impact on water quality, such as compensating farmers taking up agri environmental commitments.

The Court's audit assessed whether the implementation of the WFD by the Member States led to an improvement of the water quality. It focused on surface water quality in four Member States of the Danube river basin: the Czech Republic, Hungary, Romania and Slovakia, and covered the pollution from agglomerations, industrial installations and agriculture as the three main aspects.

Measures identified in the river basin management plans, according to the Court's findings, are not sufficient to adequately address pollution sources. Moreover, the 2009 river basin management plans of the four Member States generally lacked information on the achievements to be expected from the implementation of the 'basic measures' (measures required to implement EU Directives) and the resulting need for additional measures to achieve good status.

The Court arrived at the conclusion that the four Member States have to make significant improvements if they are to achieve good surface water quality, the main objective of the WFD, as well as that these Member States will have to step up their efforts to accelerate progress on water quality. Shortcomings in the monitoring systems of the four Member States resulted in a lack of data both on the type of pollution causing a water body to fail good status as well as on the relative importance of the various pollution sources. Comparability of data was also affected by the fact that there were big differences among the four Member States regarding the number of specific physico-chemical pollutants evaluated. The lack of comprehensive data hampers the identification of targeted and cost-effective measures.

The Court noted the progress made by the Member States in removing organic and nutrient pollution from waste waters emitted by urban waste water treatment plants. However, the instruments available to reduce pollution in waste waters, such as the enforcement mechanism and the water pollution charge, were not used to best effect.

The Court concluded that the competent authorities are to a certain extent dependent on the information provided by the dischargers themselves for setting emission limits. This is particularly the case where national legal provisions either set limits for guidance only or did not set limits at all. Moreover, the waste water discharge permits of urban waste water treatment plants receiving industrial waste water only in some cases include limits for pollutants other than organic material and nutrients.

The Rapporteur welcomed the Court's Special Report and in particular stressed that the guidelines for a more differentiated reporting on progress with regard to water quality should be provided. He agrees with the Court that the Commission should foster comparability of data between countries, and notes that the Commission should continue its follow-up of Member States' progress in reaching good water quality. The Rapporteur invited the Member States to assess the potential of using the water pollution charge as an economic instrument and as a way to apply the 'polluter pays' principle at least for the main substances which negatively affect water quality. Finally, he invites the Commission and the Member States to identify ways for simplifying the set-up and implementation of the checks for ensuring their effectiveness, on the basis of an inventory of the enforcement of both EU and national mechanisms.

The Rapporteur's working document is available on the [CONT website](#).

The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2015. Amendments may be tabled in this context.



15. BUDGETARY CAPACITY FOR THE EUROZONE - CONSEQUENCES FOR THE EU BUDGET, COMPLEMENTARITIES AND PARLIAMENTARY CONTROL



Consideration of draft opinion

Rapporteur: [Zigmantas Balcytis](#) (S&D)

Administrator: Hrvoje Svetic

Main Committee: ECON & BUDG

In a single market, a common currency implies benefits such as lower transaction costs, better price transparency and absence of foreign-exchange risk. If strong enough, it can reduce the exposure of the area to the monetary policies of other major economic powers. On the other hand, a common currency eliminates well-tried policy options for counterbalancing asymmetric shocks such as exchange rate fluctuation. Giving up autonomy over monetary policy therefore requires alternative adjustment mechanisms for asymmetric macroeconomic shocks.

In his draft opinion, the Rapporteur notes that the European Economic and Monetary Union (EMU) lacks appropriate adjustment mechanisms to absorb asymmetric shocks, which became apparent in the ongoing financial, economic and sovereign debt crisis. The coordination of national economic policies and the over-reliance on the corrective force of the markets have proven insufficient to prevent excess indebtedness of Member States.

The Rapporteur considers that a common currency cannot rely on controlling the money supply only through a central bank, as proven by the crisis, and without more fiscal, economic and political integration. In addition, he is concerned that the instruments developed in recent years to tackle the crisis are of intergovernmental nature, are not integrated in the Community acquis, and lack the democratic oversight and accountability to the Parliament.

The Rapporteur stressed that the budgetary and fiscal capacity should be established as a part of the Union budget, outside the MFF and implemented by the Commission, within the Union framework. As democratic scrutiny, transparency and accountability to the Union citizens through existing institutions should be ensured for such capacity, the Rapporteur emphasised that it should comply to the discharge procedure as stipulated in the Treaty on the Functioning of the European Union.

The English version of the [draft opinion](#) has been circulated to CONT Members on 18 May 2016.

CONT Timetable:

Event	Body	Date
Deadline for amendments	CONT	31/05/2016
Adoption in CONT	CONT	13/07/2016
Adoption in ECON & BUDG	ECON & BUDG	05/09/2016
Adoption in Plenary	Plenary	OCTOBER I



TUESDAY 24 MAY 2016

11.30 - 12.30

IN CAMERA

16. COORDINATOR'S MEETING



Meeting held in camera

TUESDAY 24 MAY 2016

15.00 - 18.30

PUBLIC MEETING

17. HEARING ON "PROTECTION OF THE FINANCIAL INTERESTS OF THE EU: THE ROLE OF INVESTIGATIVE JOURNALISM, WATCHDOG NGOS AND MULTI-MEDIA ACTIONS"



Co-Rapporteurs: [Benedek Jávör](#) (Greens/ALE) and [Inés Ayala Sender](#) (S&D)

Administrator: Philippe Godts

The purpose of the hearing is to enable a thorough discussion, at the European Parliament level, on the role played or to be played by the investigative journalism, the watchdog NGOs and the multimedia in the fight against fraud and corruption.

CONT committee will pay special attention to the situation of the journalists and NGOs in the Member States and to the financing structure and the editorial mission of the European multimedia financed by the EU budget.

This hearing is also an opportunity to talk on the current status of the investigative journalism since the publishing of the CONT commissioned report "Deterrence of fraud through investigative reporting within EU-27" on 13 September 2012.

The hearing will start with the opening remarks by Chair Gräbke, followed by an introduction by the Co-Rapporteurs Inés Ayala Sender and Benedek Jávör.

Ten participants are invited to present their views on these issues in the following three panels:



First panel: ' The role and situation of investigative journalism in the Member States: Journalists' views on corruption'

- Ms Brigitte Alfter, Editor Europe, Journalismfund.eu, "General presentation",
- Mr Tamás Bodoky, Editor-in-chief, Atlatzo.hu and Mr Petr Holub, Journalist, Echo24.cz: state of play in specific Member States,
- Ms Daniela Schröder, Independent writer and editor, the use of EBRD Funds in the Balkans.

Second panel: ' The role of the watchdog NGOS'

- Mr Carl Dolan, Director, Transparency International -EU Office,
- Mr Martin Pigeon, Researcher and campaigner, Corporate European Observatory,
- Mr Jos Dings, Executive Director, Transport and Environment.

Third panel: ' The role of multimedia actions: financing structure and editorial mission'

- Roberto Viola, Director-General, DG CONNECT, European Commission, (tbc)
- Michael Peters, Chief Executive Officer, Euronews.
- Erlends Calabuig, Chief Executive Officer, Euranet Plus.

The closing remarks will be made by the co-Rapporteurs.

18. ANY OTHER BUSINESS

19. NEXT MEETINGS

NEXT MEETINGS

- **13 June 2016, 15.00 - 18.30 (Brussels)**
- **14 June 2016, 09.00 - 12.30 and 15.00 to 18.30 (Brussels)**
- **27 June 2016, 15.00 - 18.30 (Brussels)**

See also the 2016 calendar of meetings for future meetings.

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PAPERLESS PROGRAMME (INTERNAL USERS ONLY)

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Contact the [CONT Secretariat](#) or visit the [website](#) of the CONT committee