



MONDAY 26 SEPTEMBER 2016

15.00 - 18.30

Room: Paul-Henri Spaak (4B001)

1. AGENDA

The [draft agenda](#) was emailed to Members on 14 September 2016 and is in the [file for the meeting](#).

2. CHAIR'S ANNOUNCEMENTS

The Chairman draws attention to the following points:

Languages available

FR, DE, IT, NL, EN, DA, ES, CS, PL, SL, BG, RO.

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 and Members are reminded to bring their electronic voting card.

MONDAY 26 SEPTEMBER 2016

15.00 - 18.30

PUBLIC MEETING

***** VOTING TIME *****

3. DISCHARGE 2014: EU GENERAL BUDGET - COUNCIL AND EUROPEAN COUNCIL



Adoption of Draft Report

Rapporteur: Ryszard Czarnecki (ECR)

Administrator: Tereza Pinto De Rezende

The Rapporteur presented his draft second report in July. Nine amendments were tabled within the deadline of 6 September, calling the Council to adopt a code of conduct, to join the transparency register and to develop anti-corruption guidelines. The draft report also criticises the Council for the continued lack of cooperation in the framework of the Council discharge procedure as the Council continues to fail to provide answers to Parliament's questions.

The rapporteur considers that the expenditure of the Council must be scrutinised in the same way as that of other institutions

For all these reasons, the Rapporteur's proposes to refuse the Council and European Council's discharge for the financial year 2014.



The EN version of amendments were circulated to Members on 13 September and the voting list was sent the week before the vote.

The Rapporteur's [draft report](#) and the [amendments](#) tabled are available on the CONT website.

Timetable

Adoption in Plenary	Plenary	OCTOBER II 2016
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4-6. DISCHARGE 2014: EMBEDDED COMPUTING SYSTEMS (ARTEMIS) EUROPEAN NANO ELECTRONICS INITIATIVE ADVISORY COUNCIL (ENIAC) INTERNATIONAL FUSION ENERGY ORGANIZATION (ITER)



Adoption of Draft Reports

Rapporteur: Marian-Jean Marinescu (PPE)

Administrator: Michal Czaplicki

At its meeting of 4 April 2016 the Committee decided to postpone the discharge procedure to three Joint Undertakings, namely Artemis, Eniac and Fusion for Energy (ITER). The plenary followed the position of CONT.

The rapporteur drafted the second discharge reports and presented them at the CONT meeting of 14 July. In his draft reports he underlined the progress achieved by all three Joint Undertakings concerned and opted for granting the discharge to all of them.

The discharge report on Artemis received 11 amendments, the one on Eniac JU received 13 amendments while the report on F4E JU (ITER) received 15 amendments.

The Rapporteur's draft reports are available on the CONT website:

Draft Report on [ARTEMIS](#) and [amendments](#) tabled

Draft report on [ENIAC](#) and [amendments](#) tabled

Draft report on [ITER](#) and [amendments](#) tabled

Timetable

Adoption in Plenary	Plenary	OCTOBER II 2016
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7. GENERAL BUDGET OF THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2017 - ALL SECTIONS



Adoption of Draft Opinion

Rapporteur: Martina Dlabajová (ALDE)

Administrator: Philippe Godts

Main Committee: BUDG

In her draft opinion Martina DLABAJOVA mainly welcomes the programme statements of operational expenditures attached to the draft budget 2017 as they partially respond to the request made by the Parliament concerning the establishment of a performance-based public budgeting model in which each budget line is accompanied by objectives and outputs to be measured by performance indicators.



28 amendments were tabled by CONT Members. They concern in particular the high level of RALS, critical views on the functioning of the financial instruments, EFSI unbalanced implementation figures, fight against fraud and the transparency in the financial management of the EU funds.

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

Timetable:

Event	Body	Date
Adoption in BUDG	BUDG	26/09/2016
Adoption in Plenary	Plenary	OCTOBER II

8. COMMISSIONERS' DECLARATIONS OF INTERESTS - GUIDELINES



Adoption of Draft Opinion

Rapporteur: Ingeborg Gräßle (EPP)

Administrator: Philippe Godts

Main Committee: JURI

In her draft opinion the rapporteur regrets that the Code of Conduct for Commissioners adopted on 20 April 2011 (COM (2011) 2904) has failed to address all the recommendations issued by the Chair of the Committee on Budgetary Control on 2 March 2011.

The opinion also refers to some deficiencies detected in the implementation of the code of conduct and regrets that the Code fails to lay down any divestment requirement or to define the notion of conflict of interest.

67 amendments were tabled by CONT members.

They concern in particular the clarification of the definition of conflict of interest, the publicity to be given to the activities of the Ad Hoc Ethical Committee, the extension of the Commissioner's post office restriction to 3 years and specific rules to be applied for the President of the Commission.

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

Timetable:

Event	Body	Date
Adoption in JURI	JURI	12-13/10/2016
Adoption in Plenary	Plenary	NOVEMBER

***** END OF ELECTRONIC VOTE *****

9. THE ROLE OF WHISTLE-BLOWERS IN THE PROTECTION OF EU'S FINANCIAL INTERESTS



Consideration of Draft Report

Rapporteur: Dennis De Jong (GUIE)

Administrator: Hrvoje Svetic

Funds mismanagement and misallocations are frequently related to corruption, conflict of interest or other types of unethical behaviour. In this context, the effectiveness of whistle-blowers is linked to the existence of an organised and integrated system allowing people (both internal and external to the EU institutions) to report any type of funds mismanagement on condition that an effective and efficient whistleblowing policy exists.



Whereas the revised EU staff regulations contain provisions on the protection of whistle-blowers internal to the EU institutions, the protection of external whistle-blowers depend on national legislation, where the situation varies from Member State to Member State. In his report, Mr De Jong emphasises that a legislative instrument is needed in addition to an independent European institution with sufficient budgetary resources protecting both external and internal whistle-blowers, in order to protect the financial interests of the European Union.

In addition, whistle-blowers are important to address irregularities in a broader sense, including those not immediately affecting the financial interests of the Union. The draft report notes that the protection of whistle-blowers should be addressed more broadly. He is aware of initiatives requesting the Commission to draft a proposal on the basis of, in particular, Articles 151 and 153(2)(b) TFEU, thus protecting whistle-blowers more generally, at least for workers. The report does not stand in the way of any such broader initiatives. Its legal basis is different as well as its scope, but the definition of whistle-blowing as well as the main protective instruments can help in strengthening the basis for a wider legislative proposal.

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

CONT Timetable:

Event	Body	Date
Deadline for amendments	CONT	11/10/2016
Adoption in CONT	CONT	08/11/2016
Adoption in Plenary	Plenary	DECEMBER

10. ECA SPECIAL REPORT 4/2016 (2015 DISCHARGE): THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY MUST MODIFY ITS DELIVERY MECHANISMS AND ELEMENTS OF ITS DESIGN TO ACHIEVE THE EXPECTED IMPACT



Consideration of Working Document

Rapporteur: Dennis De Jong (GUE)

Administrator: Hrvoje Svetic

According to the Commission research, the EU lacks an innovation culture where good ideas can be easily transformed into new products and services, resulting in failure to convert its excellence in basic research to market-driven innovation. To tackle this problem, the EU is striving to become a knowledge-based economy centred on an ambitious research and innovation agenda. Horizon 2020, with a budget of 80 billion euro for the period 2014-2020 is one of the instruments of the EU 2020 strategy for smart, sustainable and inclusive growth.

The European Institute of Innovation and Technology (EIT), created in 2008, has the ambitious objective of overcoming weak links between the worlds of education, science and business. Its mission is to reinforce the EU's innovation capacity 'by promoting synergies and cooperation among higher education, research and innovation of the highest standards, including by fostering entrepreneurship.

The European Court of Auditors examined whether the EIT is an effective tool to foster innovation in the EU. The Court considered whether the EIT's rationale and design address the needs of the innovation communities. In addition, the Court assessed the operational execution as well as the monitoring of the EIT's activities.

According to the Court, the main reasons for setting-up the EIT are well-founded and generally supported by its stakeholders. Weak links between business, research institutes and higher education, little success in bringing research outcomes to market and a lack of entrepreneurial culture were arguments to justify its creation to address these specific issues. Thanks to the EIT, the three Knowledge and Innovation Communities (KICs) launched in 2010 have brought more than 500 partners together across disciplines, countries and sectors.

However, the Court stated that the complementary activities of the KICs - recipients of the EIT grants, which are not financed by EIT, were poorly defined, which led to difficulties for the KICs. According to the EIT's founding



regulation, the KICs are to develop strategies to become financially sustainable. Over the period 2010-2014, only one KIC has declared any income (400.000 euro) while the EIT has injected over 460 million euro into the KICs. In each KIC the bulk of the EIT financial contribution is concentrated in a core of KIC partners, with the top 10 partners receiving between 49% and 65% of the EIT financial support to each KIC. In addition, the EIT financial contribution is highly concentrated in five countries, which risks that a two speed Europe is being further engrained, with EIT expenditure concentrated in countries with developed research infrastructure.

The Court noted that the existing key performance indicators are not suited for effective monitoring, as well as that the business participation could be improved. In addition, the Court noted that the EIT is under-resourced and has in the past been poorly managed as the number of project officers compared to the grant budget is much lower than for most other EU research grant programmes.

The Rapporteur welcomes the Court's report, its findings and recommendations. He states that the Court has identified several weaknesses in key concepts and operational processes and has given four recommendations if the EIT wants to become the ground-breaking innovative institute. He considers that the current report of the Court gives rise to serious concerns about the basis funding model and the operation of the EIT. The Rapporteur took note that the Commission agrees with the majority of the recommendations of the Court, and that in 2015 several improvements by the EIT have been made, which seem to meet the findings and recommendations of the Court. However, the Rapporteur notes that close monitoring and evaluation is needed to verify the effects of these improvements. He calls on the Commission to ensure a coordinated and efficient innovation policy, in which the responsible DGs tune up the activities and instruments, and to inform the Parliament on these efforts. Moreover, the Rapporteur is concerned by the fact that in the KICs the involvement of businesses in the choice of the research could lead to the situation that researchers are financially and otherwise linked to the industry and may not be seen as independent. Finally, the Rapporteur calls on the EIT to give in its 2015 annual report to the discharge authority an in-depth analysis of the implementation of the Court's recommendations, and calls on the Commission to provide the Parliament with a follow-up report on the implementation and monitoring of actions taken regarding the ECA's recommendations.

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.

11. ECA SPECIAL REPORT 11/2016 (2015 DISCHARGE): STRENGTHENING ADMINISTRATIVE CAPACITY IN THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA: LIMITED PROGRESS IN A DIFFICULT CONTEXT



Presentation of the Special Report by the Member of the European Court of Auditors responsible, H.G. Wessberg, and consideration of working document

Rapporteur: Tomáš Zdechovský (EPP)

Administrator: Michal Czaplicki

This point will be co-chaired by I. Gräßle and Al. Peterle, Chairman of the EP Delegation to the EU-former Yugoslav Republic of Macedonia JPC

Members of the EP Delegation to the EU-former Yugoslav Republic of Macedonia JPC have been invited to participate at this exchange of views.

The Former Yugoslav Republic of Macedonia has been a candidate for EU membership since 2005, however the Council until now has not decided on a framework for opening negotiations. During the 2007-2013 period, the EU allocated 615 million euros under the Instrument for Pre-Accession Assistance (IPA I) to help the country prepare for accession. The country also received financial support under multilateral programmes covering the whole of the Western Balkans. The Court audited projects financed from IPA I in three major sectors: public administration reform (12 % of the total allocation), transport (18 %) and environment (16 %).



The ECA arrived at the conclusion that there was relatively limited progress in strengthening administrative capacity in key areas during the audited period. Working in a difficult context, the Commission did not, for many of the projects examined, sufficiently ensure the effectiveness of their contribution towards strengthening administrative capacity. All of the projects audited included activities designed to strengthen administrative capacity but they did not succeed in addressing sufficiently many weaknesses.

In light of its findings, the ECA recommended that the Commission should concentrate its assistance for strengthening administrative capacity on ranked priorities that take account of significant weaknesses in key areas. It should make better use of policy instruments to reinforce the commitment by the national authorities to the reform process, including a prolonged and active follow-up of outputs and impacts.

The Rapporteur calls on the Commission to strictly follow the principles of sound financial management and invites the Commission to help with designing projects with high potential in key areas such as public procurement.

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.

12. STUDY ON “PUBLIC SECTOR REFORM AND HOW THE EU BUDGET IS USED TO ENCOURAGE REFORM IN THIS REGARD”



Presentation of Policy Department D study

Rapporteur: Brian Hayes (PPE)

PolDep D Administrator: Vera Milicevic

Authors of the study:

- Dr. Zareh Asatryan, Prof. Dr. Friedrich Heinemann, Mustafa Yeter (Centre for European Economic Research (ZEW), Mannheim)
- Dr. Eulalia Rubio, Dr. David Rinaldi (Jacques Delors Institute (JDI), Paris)
- Dr. Fabian Zuleeg (European Policy Centre (EPC), Brussels)

The recent European crisis has put the issue of government efficiency high on national policy agendas. Since 2007 the role of the EU budget in support of administrative reforms has been strengthening, at least in formal terms. However, the extent to which the various EU budgetary instruments have encouraged public administration reforms is unclear. Against the background of the overall European approach towards public administration reforms, this study reviews the current budgetary instruments that directly or indirectly support such reforms, and analyses the coherence, EU added value and complementarities within them. Case studies on four Member States (Estonia, Italy, Greece, Bulgaria) and an analysis of current networks and award initiatives to disseminate best practices complete the study. Based on extensive desk research and a set of semi-structured interviews, the analysis finds a positive but modest impact of the EU budget and existing networks on reform activity. Some of the key recommendations are to improve the consistency of Country Specific Recommendations related to administrative reforms, increase the effectiveness of the Structural Reform Support Programme, and to ensure coherence and complementarity between all EU-funded interventions as well as their monitoring and evaluation processes. As to the role of learning and policy-diffusion, the study recommends to promote focused peer-to-peer exchange among public sector managers, and to develop a more credible evaluation of public sector awards.

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



13. GENERAL REVISION OF PARLIAMENT'S RULES OF PROCEDURE



Consideration of Draft Opinion

Rapporteur: Ingeborg Gräßle (EPP)

Administrator: Mauro De Oliveira

Main Committee: AFCO

The AFCO Rapporteur Richard Corbett (S&D) is proposing a change in the Rule 94 (fourth indent) by adding the following new wording to the current rule "the discharge to such bodies shall be dealt with in a single report with separate sections on each of them."

This if adopted would mean, in practice, that agencies and joint undertakings would be dealt by CONT in a single report against the different legal basis for those bodies, their different nature and operational objectives.

The Rapporteur considers that the proposed amendment obstructs the culture of responsibility within the agencies and joint undertakings. A single report would diffuse the accountability of each body, and would make it more challenging for the Committee on Budgetary Control, and consequently the Parliament, to scrutinise in detail the implementation of the tasks and the budget execution of individual agencies and joint undertakings.

The Rapporteur further notes, in the justification for the opinion, that in recent years the bodies covered by rule 94 (fourth indent) have been at the center of the discharge procedure. The proposal to deal with those bodies in a single report would make it more difficult to early identify possible problems and to ensure proper financial management.

The Rapporteur emphasises that even if they were assembled in a single report, the discharge decisions for each body constitute legally distinct decisions which have to be separately adopted by Parliament and could not be replaced by a single vote.

Finally the draft report underlines that Parliament has to examine the implementation of the budget (accounts, financial statements) of each of the bodies individually in the light of the individual reports of the Court of Auditors and take an individual and distinct decision on granting, postponing or rejecting the discharge as regards each of them, after having taken into account the individual.

The CONT draft opinion reinstates the original wording of this paragraph clarifying that: (1) discharge is granted on the basis of article 319 of the Treaty and (2) the long current practice of preparing individual reports per each of the discharged bodies.

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

CONT Timetable:

Event	Body	Date
Deadline for amendments	CONT	28/09/2016
Adoption in CONT	CONT	12/10/2016
Adoption in AFCO	AFCO	08/11/2016
Adoption in Plenary	Plenary	DECEMBER



14. STUDY ON “PUBLIC PROCUREMENT - A STUDY ON ADMINISTRATIVE CAPACITY IN THE FIELD OF EUROPEAN STRUCTURAL AND INVESTMENT ESI FUNDS”



Presentation of the study by DG REGIO (European Commission)

In the Commission discharge reports and the annual reports of the European Court of Auditors procurement has been identified, during audits, as a major source of deficiencies, which can be attributed in large part to an insufficient administrative capacity in terms of human resources, systems and tools, and governance structures. The study offers an overview of the current state of administrative capacity in the field of public procurement in the EU with a special focus on the implementation of the European Structural and Investment (ESI) Funds. It looks at the systems and structures in the individual Member States and provides information as to how to improve the quality of public procurement and ensure more efficiency, transparency and regularity.

This study provides a systematic assessment of the public procurement systems of each of the Member States with a particular focus on the way how they are organised and function. Based on desk research for 28 Member States, field interviews in 15 Member States, case studies in the Czech Republic and Portugal and an online survey of practitioners in 28 Member States, the study assesses each system's strengths and weaknesses and provides country specific recommendations in 28 country profiles. It also identifies a list of good practices and lessons learnt from the past that could be used by decision-makers to improve administrative capacity, especially in terms of human resources, systems and tools, and governance structures.

The Commission has requested to present the main findings of this study.

The [study](#) is available on DG REGIO's website.

15. ANY OTHER BUSINESS

16. NEXT MEETINGS

NEXT MEETING

- **12 October 2016, 9.00 - 12.30 and 15.00 to 18.30 (Brussels)**
- **13 October 2016, 9.00 - 12.30 (Brussels)**

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