

MONDAY, 7 NOVEMBER 2016

15.00 - 18.30

TUESDAY, 8 NOVEMBER 2016

09.00 - 12.30 and 15.00 - 18.30

Room:

1. AGENDA

The draft agenda was emailed to Members on 28 October 2016 and is in the [file for the meeting](#).

2. CHAIR'S ANNOUNCEMENTS

The Chairman draws attention to the following points:

Languages available

7 November PM & 8 November AM: FR, DE, IT, NL, EN, DA, ES, PT, FI, CS, HU, LT, PL, SL, BG, RO.

8 November PM (meeting with National Parliaments): All 23 official languages except for MT and GA: FR, DE, IT, NL, EN, DA, EL, ES, PT, FI, SV, CS, HU, LT, LV, PL, SK, SL, BG, RO, HR. (

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 vote on 8 November and Members are reminded to bring their electronic voting card.

MONDAY, 7 NOVEMBER 2016

15.00 - 18.30

PUBLIC MEETING

3. REPORT FROM THE COMMISSION ON PROTECTION OF THE EUROPEAN UNION'S FINANCIAL INTERESTS (PIF) - FIGHT AGAINST FRAUD 2015 ANNUAL REPORT (CONT/8/06688)



Exchange of views with the Vice-President of the European Commission responsible for Budget and Human Resources, *Kristalina-Georgieva*

Rapporteur: [Julia Pitera](#) (EPP)
Administrator: Michal Czaplicki

As in previous years, the Committee on Budgetary Control decided to draw up a report on the Protection of the Union's financial interests. In the framework of the preparation of the draft report, OLAF has presented its annual report on 13 June 2016. It was followed by a row of written questions, to which OLAF has replied. The written replies by OLAF have been distributed to the Members on 16 September.

During this CONT meeting Commissioner Kristalina Georgieva will present the Report from the Commission to the European Parliament and the Council on the Protection of the European Union's financial interests - Fight against fraud - Annual Report 2015 (COM(2016)472). The Commission presents, in cooperation with the Member States, the Annual Report under Article 325 of the Treaty on the Functioning of the European Union. The purpose of the report is both to assess to what extent the EU funds or revenue of the EU budget are at risk of misuse due to fraudulent or non-fraudulent irregularities and to describe the actions taken to address the issue. This is the second report under the current Commission and focuses on the principles of sound financial management to which the Commission is committed.

CONT Timetable:

| Event | Body | Date |
|---|------|---------------------|
| First exchange of views on draft report | CONT | 28/29 November 2016 |
| Consideration of draft report | CONT | 9 January 2017 |
| Deadline for amendments | CONT | 31 January 2017 |

The Commission's Annual Report 2015 on the Protection of the EU's Financial Interests - Fight against fraud is available on the [CONT website](#).

4. ECA SPECIAL REPORT 18/2016 (2015 DISCHARGE): THE EU SYSTEM FOR CERTIFICATION OF SUSTAINABLE BIOFUELS (CONT/8/07702)



Presentation of the Special Report by the Member of the European Court of Auditors responsible, *B. Jakobsen*, and consideration of working document

Rapporteur: [Tomáš Zdechovský](#) (EPP)
Administrator: Philippe Godts

The audit of the Court focused on the procedure applied by the Commission for the recognition of voluntary schemes (i.e. the recognition assessment framework) for the certification of sustainable biofuels.

As only sustainable biofuels may be taken into consideration for the achievement of the EU's 10 % transport target foreseen by the Renewable Energy Directive (RED), it is essential that reliable data are collected on the quantities of certified sustainable biofuels placed on the market in each Member State. Therefore the audit also examined whether the data collected by the Member States and submitted to Eurostat regarding the share of sustainable biofuels in transport were reliable.

The Court visited four Member States (Germany, France, Poland and the United Kingdom).

The Court concluded that, because of weaknesses in the Commission's recognition procedure and in the subsequent supervision of voluntary schemes, the EU certification system for the sustainability of biofuels is not fully reliable.

In particular, the Commission granted recognition decisions to voluntary schemes which did not have appropriate verification procedures to ensure that the origin of biofuels produced from waste was indeed waste. Not until October 2014 did the Commission become aware of the problem and the entailed risk of fraud and then issued a guidance note suggesting voluntary schemes should develop specific auditing procedures covering the origin of waste. This means that since 2011, when the first voluntary schemes were recognised until at least 2014, the biofuel certified as being produced from waste, and thus counted double towards national targets, was certified without appropriate verifications as to the origin of the waste used.

The Court found that some schemes were insufficiently transparent or had governance structures comprising only representatives from a few economic operators, thus increasing the risk of conflict of interest.

The Court found that the Commission does not adequately supervise the functioning of recognised voluntary schemes and that the national data relating to the share of compliant biofuels in total transport fuels may not be reliable, as the statistics of biofuel certified as sustainable might be overestimated. In Poland the law has only required compliance of biofuels with RED sustainability criteria, and verification of compliance, since 1 January 2015.

Furthermore the reliability and comparability of the statistics on sustainable biofuels are undermined by the fact that there is no unique identification of the substances to be considered as waste in the EU.

The rapporteur endorses the main recommendations issued by the European Court of Auditors. Those recommendations could be included in the Commission annual discharge report.

The EN version of the working document is available on the [CONT website](#).

5. ECA SPECIAL REPORT 17/2016 (2015 DISCHARGE): THE EU INSTITUTIONS CAN DO MORE TO FACILITATE ACCESS TO THEIR PUBLIC PROCUREMENT (CONT/8/06872)



Presentation of the Special Report by the Member of the European Court of Auditors responsible, *A. Brenninkmeijer*, and consideration of working document

Rapporteur: [Monica Macovei](#) (ECR)

Administrator: Mauro De Oliveira

Public procurement policy is a key instrument in developing the single market and in achieving smart, sustainable and inclusive growth while ensuring the most efficient and effective use of public funds.

The award of public contracts has to comply with the principles of the Treaties, and in particular the free movement of goods, freedom of establishment and the freedom to provide services, as well as the principles deriving therefrom, such as equal access and equal treatment, non-discrimination, mutual recognition, proportionality, fair competition, publicity and transparency.

The Court examined the procurement activities of the four largest EU institutions: the European Commission, the European Parliament, the Council of the European Union and the European Central Bank (ECB). In particular, the report investigates to what extent the EU institutions facilitate access to their public procurement.

The Rapporteur, Monica Macovei, welcomes the findings of the Court of Auditors and underlines inter alia the following:

- Calls on increased transparency of public procurement within EU institutions, as well as at national level, through public availability of documents and data on public procurement;
- Strongly supports the recommendation of the Court for the EU institutions to create a common electronic one stop shop for their procurement activities, allowing economic operators to find all relevant information in a single online location and to interact with the EU institutions through this website;
- Recalls that the use of restricted procurement procedures by the contracting authorities discourages potential tenderers, blocks transparency and information on how the taxpayers' money are used;
- Insists that it is the role of the contracting authorities to ensure a public procurement which is market-based, generating a sufficient amount of tenders and providing balanced access to all economic operators;
- Underlines the role of investigative journalists and NGOs in ensuring transparency in the public procurement process and detecting fraud or potential conflicts of interests; strongly believes that the above-mentioned categories should have full access to ARACHNE, ORBIS and other related instruments and databases allowing to detect any suspicions of conflict of interest or corruption in public procurement in European institutions as well as in all member states, particularly with regard to acquisitions made using European funds.

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.

The EN version of the working document is available on the [CONT website](#).

6. FOLLOW UP TO GREECE DELEGATION (SEPTEMBER 2015) (CONT/8/08268)



Delegation Chair: [Ingeborg Gräßle](#) (PPE)
Administrator: Michal Czaplicki

The Committee conducted a delegation to Greece in September last year. The aim of the visit was to monitor EU funded priority projects highlighted by the Task Force for Greece as in danger. As a follow up and aiming at continuous monitoring of the projects visited, the Committee decided to organise an exchange of views on the current situation of these projects. The Commission will be asked to inform the Committee about the latest state of play of the following projects:

- Construction of the metro of Thessaloniki ;
- Rehabilitation of the Karla Lake;
- Construction of Central Greece (E65) highway – part Xiniada-Trikala;
- Completion of new double high-speed railway line Tithorea-Lianokladi-Domokos;
- e-ticket system in Attica;
- Greek cadaster;
- Greek national register,

which were monitored by the CONT delegation during their visit to Greece.

The delegation report of the CONT Delegation to Greece (September 2015) is available on the [CONT website](#).

7. PRESENTATION OF STUDY ON FINANCING LUX PRIZE (CONT/8/08269)



Parliament had called in its 2013 discharge resolution “for a representative survey of Members to be conducted by the end of 2015 to determine whether the LUX Prize is well known and how, if at all, it is viewed in their respective Member States”.

It specified and reiterated further its request in its resolution of 28 April 2016 demanding that the “results of the study be available to the public by mid-May 2016 and an official presentation of the results to be made to its Committee on Budgetary Control and its Committee on Culture

and Education”.

The main findings from the opinion surveys carried out by TNS Opinion following the discharge demands will be presented to CONT and CULT Members by Ms Doris Pack, Coordinator of the LUX Film Prize.

The presentation and the exchange of views will be co-chaired by Inge Gräßle and Silvia Costa, Chair of CULT committee.

To follow up the request, the Directorate-General for Communication (DG COMM) commissioned TNS Opinion to conduct a quantitative survey inviting 751 Members of the European Parliament (MEPs), and a complementary qualitative survey with a range of MEPs, on one side, and representatives of the European film industry, on the other.

Committee on Budgetary Control

The survey that obtained a response rate of 18%, corresponding to 137 MEPs, concludes that awareness of the LUX Film Prize by MEPs is very high. MEPs have a clear understanding that the LUX Film Prize's aim is to promote cultural and linguistic diversity, and 70% think that it supports the circulation of European films, by subtitling the finalist films in the 24 official languages of the European Union.

MEPs also perceive the LUX Film Prize as an efficient tool for communicating Europe's values and issues, and for bridging cultural diversity within the European Union. The prize is also seen as a promoter of the European cinema. Cinema professionals' views mirror those of MEPs.

The survey also determines that a majority of MEPs notice the growing public reputation of the prize, due to, they say, a more public-friendly movie selection. In order to reinforce the LUX Film Prize, MEPs stress the necessity of developing more efficient communication strategies – internally and externally.

The survey as well as its annexes are available on the [CONT website](#).

TUESDAY, 8 NOVEMBER 2016

9.00 - 11.45

PUBLIC MEETING

8. ELECTION OF CONT 2ND VICE-CHAIR (CONT/8/08270)

Following the departure of Mr Igor Soltes (Greens/EFA) from the CONT committee, his seat as 2nd vice-chair became vacant. At the request of Green's group, the election will take place in order to fill the vacancy.

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

9. THE EVALUATION OF EXTERNAL ASPECTS OF THE CUSTOMS PERFORMANCE AND MANAGEMENT AS A TOOL TO FACILITATE TRADE AND FIGHT ILLICIT TRADE (CONT/8/06472)



Adoption of draft Opinion

Rapporteur: [Nedzhmi Ali](#) (ALDE)
 Administrator: Olivier Sautière
 Main committee: INTA - Tiziana Beghin (EFDD)

The Rapporteur emphasized the key-role played by customs services in the context of a global trading environment with new types of challenges related both to the security and protection of goods under import procedures or in international transit with a destination in Europe and,

to the impact of counterfeiting and illicit trade on the formal economy. In that context, he recommended to pay specific attention to the quality and performance of customs controls on the transit of goods at ports and borders. Regarding the

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protection of the EU's financial interests, he particularly recommended to better monitor countries benefitting from trade preferential treatment, supported the inclusion of anti-fraud clauses in trade agreements while calling for closer customs cooperation with effective sharing of statistical information in order to better preventing the import of IPR-infringing goods and new ways of smuggling for the benefit of the EU citizens.

Deadline for tabling amendments in CONT was 17 October 2016. 31 amendments were tabled. The draft opinion and the amendments are available on the [CONT website](#).

CONT Timetable:

| Event | Body | Date |
|---------------------|---------|------------------------|
| Adoption in INTA | INTA | foreseen in March 2017 |
| Adoption in Plenary | Plenary | foreseen in April 2017 |

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

10. DISCHARGE 2015: EU GENERAL BUDGET - EUROPEAN COMMISSION (CONT/8/07174)



Exchange of views with Commissioners Neven Mimica and Johannes Hahn in the presence of ECA member responsible, Danièle Lamarque

Rapporteur: [Joachim Zeller](#) (EPP)
Administrators: Philippe Godts and Christian Ehlers

The "Global Europe" transactions subject to audit by the ECA in 2015 represent EUR 7.9 billion: Development Cooperation Instrument: 2.2, European Neighbourhood Instrument: 1.6, Humanitarian aid: 1.3, instrument for Pre accession Assistance: 1.5, other actions and programmes: 1.3.

According to the findings of the ECA the most likely error rate is 2, 8%. When excluding the budget support and notional approach transactions, the estimated level of errors is 3.8 %;

The documents of particular relevance for the exchange of views as regards the 2014 Commission discharge are:

- The ECA's 2015 Annual Report, Chapters 1, 2 and 8;
- The Commission's follow-up report COM (2016) 674 final and SWD (2016) 338 and 339;
- The Annual Activity Reports of DGs DEVCO and NEAR.

These documents are available on the [CONT website](#).

In accordance with the timetable for the discharge procedure, the written questions for this meeting were sent to the Commission on 21 October 2016 and e-mailed to Members on the same day. Questions concern in particular financial aspects of the following issues: Turkish facility, budget support, refugees in third countries, enlargement and neighbourhood policies, External Assistance Management Reports. The Secretariat received the answers from the Commission on 3 November and emailed them to Members and is available on the [CONT website](#).

It is proposed that today's hearing with the Commissioners shall proceed as follows:

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- Introduction by the Member of the European Court of Auditors, who will present the findings of the respective chapters of the Annual Report 2015,
- Commissioners in charge will reply to this introduction,
- CONT Rapporteur will put questions to the Commissioner and the Court,
- Other Members will question the Commissioner and/or the Court,
- Closing remarks by the CONT Rapporteur.

CONT Timetable:

| Event | Body | Date |
|-------------------------------|---------|---------------------|
| Consideration of draft report | CONT | 27-28 February 2017 |
| Deadline for amendments | CONT | 6 March 2017 |
| Adoption in CONT | CONT | 22 March 2017 |
| Adoption in Plenary | Plenary | APRIL II |

11. DISCHARGE 2015: EU GENERAL BUDGET - 8TH, 9TH, 10TH AND 11TH EDFs (CONT/8/07429)



Exchange of views with Commissioner *Neven Mimica* in the presence of ECA member responsible, *Danièle Lamarque*

Rapporteur: [Younous Omarjee](#) (GUE)
Administrator: Olivier Sautière

The EDF is the main instrument for providing European Union aid for development cooperation to the African, Caribbean and Pacific States and Overseas Countries and Territories. The EDFs are funded by the Member States, governed by their own financial regulations and managed outside the framework of the EU general budget.

Following the usual procedure, Members were asked to submit questions related to the 2015 EDF discharge to the rapporteur by 20 October 2016. The replies received from Commissioner Mimica are available on the [CONT website](#).

In accordance with the timetable for the 2015 discharge procedure, the written questions for this item were sent to the European Commission on 24 October 2016 and e-mailed to Members on 25 October 2016.

In conformity with the 'practical arrangements', written answers to these questions are expected from the Commission at the latest 24 hours before the meeting. The relevant background documents as well as the timetable and practical arrangements are available on the [CONT website](#).

CONT Timetable:

| Event | Body | Date |
|-----------------------------------|---------|---------------|
| Consideration of the draft report | CONT | 27-28/02/2017 |
| Deadline for amendments | CONT | 06/03/2017 |
| Adoption in CONT | CONT | 22/03/2017 |
| Adoption in Plenary | Plenary | APRIL II |

12. DISCHARGE 2015: EU GENERAL BUDGET - 8TH, 9TH, 10TH AND 11TH EDFs (CONT/8/07429)



Presentation of Annual Report of the Investment Facility by *Luca Lazzaroli*, Director General of EIB for Operations outside the EU

Rapporteur: [Younous Omarjee](#) (GUE)
Administrator: Olivier Sautière

In parallel with the EDF discharge procedure, the EIB is invited to present to CONT Members the results of its activities in Africa, the Caribbean and Pacific, and the overseas territories through its ACP investment Facility.

In that context, Mr Luca Lazzaroli will present the 2015 Investment Facility Annual Report and provide replies to written and oral questions.

Following the same procedure as applied for the Commissioner's hearings, Members were asked to submit questions to the Rapporteur by 20 October 2016. The written replies received from Mr Lazzaroli are available on the [CONT website](#).

The written questions received were sent to EIB on 24 October 2016 and e-mailed to Members on 25 October.

In conformity with the 'practical arrangements', written answers to these questions are expected from the EIB at the latest 24 hours before the meeting. The relevant background documents as well as the timetable and practical arrangements are available on the [CONT website](#).

The outcome of this exchange of views will be taken into consideration within the EDF discharge procedure.

CONT Timetable:

| Event | Body | Date |
|-----------------------------------|---------|---------------|
| Consideration of the draft report | CONT | 27-28/02/2017 |
| Deadline for amendments | CONT | 06/03/2017 |
| Adoption in CONT | CONT | 22/03/2017 |
| Adoption in Plenary | Plenary | APRIL II |

TUESDAY, 8 NOVEMBER 2016

11.45 - 12.30

IN CAMERA

13. COORDINATORS' MEETING



Meeting in Camera

TUESDAY, 8 NOVEMBER 2016

15.00 - 18.30

PUBLIC MEETING

14. INTER-PARLIAMENTARY COMMITTEE MEETING WITH NATIONAL PARLIAMENTS (CONT/8/07873)

Towards better spending in shared management: a more cooperative model of parliamentary scrutiny (in the context of the 2015 Commission Discharge)

Administrator: Philippe Godts

In a period of scarce resources, each euro should not only be regularly spent but also add value to the policies for economic growth and employment. More than ever public authorities should respect the principles of sound financial management: economy, efficiency and effectiveness.

In view of the last annual reports issued by the European Commission and the European Court of Auditors about the administrative weaknesses in the so-called first level checks in Member States, the Committee on Budgetary Control organises a focused exchange of views with national parliaments on specific issues relating to the management of EU funds by national management authorities.

Each Parliament has its own model and experience on how to deal with the scrutiny of the budgetary expenditures. Since the greater part of the EU budget, about 80%, is managed by the European Commission and the Member States under "shared management" we should try to develop together a new model of cooperation with a view to better addressing the weaknesses detected in the management and control systems at European, national and regional levels.

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The exchanges of views will address three specific themes:

- Session I: Shared management: how to balance trust and control?
The effectiveness of national management and control systems and the reliability of the data collected by the Member States,
- Session II: Stop to the nonsense of “use it or lose it” Towards a more performance driven approach of spending,
- Session III: A new model of cooperation between the European Union and the Member States’ administrations.

Each session will be introduced by a panel composed of members of the National Parliaments, the Commission, the Court of Auditors, and the Rapporteur for the 2014 Commission discharge. The inter-parliamentary conference will be concluded by CONT Chair and the Rapporteur for the 2015 Commission Discharge.

15. ANY OTHER BUSINESS

16. NEXT MEETINGS

- 28 November 2016, 15.00 -18.30 (Brussels)
- 29 November 2016, 9.00 - 12.30 and 15.00 - 18.30 (Brussels)

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