

THURSDAY, 8 DECEMBER 2016

14.00 - 17.30

Room: Paul-Henri Spaak (4B001)

## 1. AGENDA

The draft agenda was emailed to Members on 2 December 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, ET, PL, 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.

### Votes

The votes scheduled for this CONT meeting (see points 3 and 4 of the draft agenda) have been postponed at the request of the main political groups.

THURSDAY, 8 DECEMBER 2016

14.00 - 17.30

PUBLIC MEETING

### 3. THE ROLE OF WHISTLEBLOWERS IN THE PROTECTION OF EU'S FINANCIAL INTERESTS



#### Adoption of draft report

Rapporteur: [Dennis de Jong](#) (GUE/NGL)

Administrators: Hrvoje Svetic

**Postponed**

### 4. CONTROL OF THE REGISTER AND COMPOSITION OF THE COMMISSION'S EXPERT GROUPS



#### Adoption of draft report

Rapporteur: [Dennis de Jong](#) (GUE)/NGL

Administrators: Philippe Godts

**Postponed**

### 5. DISCHARGE 2015: EU GENERAL BUDGET - EUROPEAN COMMISSION



**Exchange of views with Corina Crețu, Member of the European Commission responsible for Regional Policy, in the presence of the ECA member responsible, in the presence of ECA Member responsible, Iliana Ivanova**

Rapporteur: [Joachim Zeller](#) (EPP)

Administrators: Philippe Godts and Christian Ehlers

Shadow Rapporteurs: Bogusław Liberadzki (S&D), Anders Primdahl Vistisen (ECR), Martina Dlabajová (ALDE), Luke Ming Flanagan (GUE/NGL), Bart Staes (Greens/EFA); Marco Valli (EFDD), Louis Aliot (ENF)

Regional policy is part of chapter 6 in the European Court of Auditors' Annual Report entitled "Economic, social and territorial cohesion". The main policy instrument is the European Regional Development Fund (ERDF). In 2015 Payments reached EUR 28,3 billion. The Court examined 223 transactions, of which 120 concerned ERDF projects. For all policy areas of chapter 6 together the Court has quantified the estimated level of error at 5,2%.

The documents of particular relevance for the exchange of views with Commissioner Crețu are:

- The ECA's 2015 Annual Report, Chapters 1, 2 and 6;
- The Commission's follow-up report COM (2016) 674 final and SWD (2016) 338 and;
- The respective Annual Activity Report of the Director General.

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 24 November 2016 and emailed to Members on the same day.

The answers from the Commission were received on 6 December 2016 and emailed to Members on the same day.

It is proposed that the hearing with the Commissioner Crețu shall proceed as follows:

- Introduction by the Member of the European Court of Auditors, who will present the findings of the respective chapters of the Annual Report 2015;
- Commissioner Crețu will briefly reply to this introduction;
- CONT Rapporteur will put questions to the Commissioner and/or 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

## 6. CHAIR'S REPORT TO THE COMMITTEE ON THE RESULT OF THE TRILOGUE ON THE JOINT CONT-LIBE REPORT "FIGHT AGAINST FRAUD TO THE UNION'S FINANCIAL INTERESTS BY MEANS OF CRIMINAL LAW" - 30 NOVEMBER 2016 (ACCORDING TO RULE 73,4 OF THE RoP)



### Report by the Rapporteur

Rapporteur: [Ingeborg Gräßle](#) (EPP)  
Administrators: Tereza Pinto De Rezende

The Slovakian Presidency of the Council informed that the negotiations were extremely difficult and the majority in the Council continued to be very fragile, as mentioned in the past trilogue meeting.

The political agreement that could be reached at this stage was the following:

With regard to article 2 where the Parliament's position was to have the 10 million EUR threshold for the damage against the VAT system lowered, together with the proposal to make the connection with the territory of two or more Member States alternative criteria, both issues were intensely discussed in Council but the Presidency could not find an agreement among the majority of the MS and the threshold of 10 million EUR has been maintained as such.

With regard to the public procurement fraud withdrawn in the Council text from article 4, 1, following the Rapporteur's suggestion, the Council proposed to have it included in the revision clause - article 18, 3 - foreseeing that in three years the Commission will assess whether the Directive effectively addresses the cases of public procurement fraud and, if necessary, makes a legislative proposal with a specific provision on procurement fraud. It was also agreed that the revision clause would foresee an assessment of the 10 million EUR threshold for VAT fraud. The sanctions for natural persons in article 7 were clarified in paragraph 3 as Parliament requested and its point on the prescription period (to have at least 8 years from the date of the final conviction to enforce the conviction for a criminal offence) will also be covered in the revision clause, in similar terms as the procurement fraud. The explicit reference in a recital of the principle *ne bis in idem* was included and the text to be adopted will also exclude the reference to "breach of his official duties" from article 4, 2 b).

It should be stressed that the Parliament, in this last phase of negotiations, succeed in having the VAT included in the Directive, to have the public procurement fraud and the adjustment of the prescription periods indirectly included in the Directive through the revision clause, and had the article 7 clarified ensuring binding threshold of damages/advantages in connection with the sanctions for natural persons.

The Slovak Presidency will announce the political agreement in the COREPER meeting of 7<sup>th</sup> December and the Parliament will wait for the Council's first reading to adopt an early second reading agreement.

## 7. ECA SPECIAL REPORT N° 23/2016 (2015 DISCHARGE) ON “MARITIME TRANSPORT IN THE EU: IN TROUBLED WATERS - A PROPER DEVELOPMENT OF PORTS FAILED DUE TO INEFFECTIVE AND UNSUSTAINABLE INVESTMENT”



### Presentation of the Special Report by the Member of the European Court of Auditors responsible, *Oskar Herics*, and consideration of a working document

Rapporteur: [Claudia Schmidt](#) (EPP)  
Administrator: Tereza Pinto de Rezende

Shadow Rapporteurs: Bugoslaw Liberadzki (S&D), Gerben-Jan Gerbrandy (ALDE), Luke Flanagan (GUE/NGL), Marco Valli (EFDD)

In this audit, the Court assessed the Commission's and Member States' (MS) EU maritime freight transport strategy and the value for money delivered by EU-funded investments in port services. In particular, it examined whether the MS and the Commission had put in place strategies for developing port services for maritime freight transport, developed robust capacity planning and identified the EU and national funding required for infrastructures; whether the EU-funded port infrastructure projects had been completed within the budget and on time, and implemented effectively to improve port services for maritime freight and the transport of goods to the port's hinterland; and whether the Commission had taken the necessary action as regards state aid and customs procedures to enable seaports to compete on a level playing field.

The Court concluded that the long-term port development strategies by MS and the Commission did not provide a robust and coherent basis for planning the capacity needed in EU ports and for identifying the EU and national public funding required for port infrastructures. Funding in similar port infrastructures and superstructures in neighbouring ports has led to ineffective and unsustainable investments, and this highlights shortcomings in the *ex ante* needs assessments and indicates a high risk of the amounts invested being wasted. Overall 292 million euros of investments were considered to have been spent ineffectively. The costs overruns and delays are further illustrations of inefficiencies in the examined investments in port infrastructures. In addition, many missing and inadequate links to hinterlands will need further public funding to make the initial port investments work properly. The Court also pointed out that the internal coordination within the Commission and the procedure involving the EIB to assess proposed EIB loans for port infrastructures have not been functioning properly. It concluded that the Commission did not take the necessary actions in the area of state aid and customs to enable ports to compete on a level playing field. The Court recommends the Commission and, to less extent the MS, to foresee some actions which will help improving the shortcomings identified in its conclusions.

The Commission have only partially accepted the Court's recommendations and considered this audit premature as the investment in such infrastructures would require a longer period gap between the conclusion of the works and its full capacity for an accurate assessment of results.

The Rapporteur endorsed the Court's recommendations and added that it is the Commission's role to ensure the coherence between the decisions taken at national level and the EU strategy. It is regrettable that in most cases the return on the infrastructures investments is low and slow, and that implementation plans and coordination continue to be an issue despite the investment in port development strategies. The Rapporteur is very concerned by the lack of reporting on aggregated capacity data and unreliable reporting on available capacity and regrets the lack of cooperation by the MS. The coordination between the EIB and the Commission should be improved in the Rapporteur's views.

The ECA report and the draft working document are available on the [CONT website](#).

The Rapporteur's recommendations will possibly be included in the 2015 Commission discharge report.

Members of the TRAN committee were invited to the exchange of views.

## 8. EU FUNDS FOR GENDER EQUALITY



### Consideration of draft opinion

Rapporteur: [Luke Ming Flanagan](#) (GUE/NGL)  
 Administrator: Tereza Pinto de Rezende  
 Main Committee: FEMM

Shadow Rapporteurs: Patricija Šulin (EPP), Inés Ayala Sender (S&D)

The Rapporteur proposes in his draft to use gender budgeting as an instrument to ensuring gender equality and notes that it should be included in all policy areas. The existing gap between male and female pay for the same work is unacceptable and the Rapporteur believes that a properly implemented gender budgeting will have a positive impact in overcoming that gap while broadening the labour base. It is regretful the lack of gender-aggregated data and gender specific indicators to monitor and evaluate the EU funded actions to tackle gender equality. The Rapporteur notes in the draft that gender equality goals are too often subsumed by other policy goals, and asks the Commission and the Member States to promote a holistic debate on policies and budgetary choices with a view to strengthening policies contributing to gender equality and eventually achieving the goal of equal pay for equal work for all.

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

### CONT Timetable:

Event	Body	Date
Deadline for amendments	CONT	12 December
Adoption in CONT	CONT	09 January 2017
Adoption in FEMM	FEMM	25 January 2017
Adoption in Plenary	Plenary	MARCH II

## 9. ECA SPECIAL REPORT N°13/2016 (2015 DISCHARGE) ON “EU ASSISTANCE FOR STRENGTHENING THE PUBLIC ADMINISTRATION IN MOLDOVA”



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

Rapporteur: [Tomáš Zdechovský](#) (EPP)  
 Administrator: Michal Czaplicki

Shadow Rapporteurs: Catalin Ivan (S&D), Miguel Viegas (GUE/NGL), Marco Valli (EFDD)

The EU cooperates with the Republic of Moldova under the European Neighbourhood Policy and its eastern regional dimension, the Eastern Partnership. Since 2007, Moldova has been allocated EU aid amounting to 782 million EUR. This represents 37 EUR per inhabitant annually, which is the highest per capita aid allocation among any EU's eastern neighbours.

The Court examined whether EU assistance had contributed effectively towards strengthening the public administration. The ECA sample covered four budget support programmes, in the sectors of justice, public finance, public health and water. It also included 20 projects in various public authorities.

The ECA arrived at the conclusion that the EU faces significant challenges with regard to implementing assistance in Moldova. Political and macroeconomic instability, poor governance and weak public administration significantly reduce the Commission's leverage to encourage reform and that the EU assistance only partially contributed to strengthening the public administration. External factors explained a number of the shortcomings observed. Others could be attributed to weaknesses in the design and implementation of the audited programmes and projects.

In light of its findings the ECA recommended that the Commission should better link the budget support programmes to national strategies. It should sequence the aid, ensuring that there is a well-defined national reform agenda. It should specifically appraise the relevance and credibility of the country's strategy in relation to the available institutional and financial resources. The Commission should strengthen its use of conditionality. This should involve setting clear and relevant conditions and performance indicators to better assess and demonstrate results and responding firmly, proportionally and quickly where the Moldovan government shows insufficient commitment to comply with what has been agreed.

The rapporteur calls on the Commission to continue to follow the principles of sound financial management. He believes that the Commission should help designing projects that would serve as a stepping stone for further investments in the country and to establish cooperation with the IFIs in this regard. Mr Zdechovský encourages the Commission to prioritise projects with high potential in key areas such as public procurement or selection procedures, and to avoid financing projects with limited prospects of sustainability. He also calls on the Commission to encourage their Moldavian counterparts to develop systematic, clearly formulated national strategies that would include clear, measurable objectives and to better link designing of the programmes in the country to these strategies.

The ECA report and the draft working document are available on the [CONT website](#).

The Rapporteur's recommendations will possibly be included in the 2015 Commission discharge report.

Members of AFET committee and Moldova Delegation were invited to the exchange of views.

## 10. ECA SPECIAL REPORT N°20/2016 (2015 DISCHARGE) ON "STRENGTHENING ADMINISTRATIVE CAPACITY IN MONTENEGRO: PROGRESS BUT BETTER RESULTS NEEDED IN MANY KEY AREAS"

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



Rapporteur: [Tomáš Zdechovský](#) (EPP)  
Administrators: Michal Czaplicki

Shadow Rapporteurs: Derek Vaughan (S&D), Michael Theurer (ALDE), Miguel Viegas (GUE/NGL), Marco Valli (EFDD)

During the 2007 to 2013 period, the EU allocated €235.7 million in financial assistance to Montenegro to help the country prepare for accession. Of this amount, 76 % had been contracted by the end of 2015. For the 2014-2020 period, indicative financial allocations for the country amount to €270.5 million. The country also has access to programmes and projects financed under multi-beneficiary programmes covering the whole of the Western Balkans region and Turkey. The audit objective was to assess

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wether EU pre-accession assistance during 2007-2013 contributed effectively to strengthening administrative capacity in Montenegro. The scope extended to both financial assistance (projects funded by IPA) and non-financial assistance (mechanisms for political dialogue between the EU and Montenegro).

The ECA arrived at the conclusion that despite the slow progress noted in several key areas, EU-pre-accession assistance has helped to strengthen administrative capacity in Montenegro. It recommended that the Commission should ensure that capacity-building actions funded at both national and regional levels address priority needs, take full account of other completed, ongoing and planned support and are appropriately communicated to potential participants and closely monitor under IPA II the relevance of capacity-building actions and improve coordination between national and regional actions.

The rapporteur regrets that although projects generally delivered the expected outputs, the results were not always sustainable. He calls on the Commission to build on the achievements of successful projects, which are sustainable, have a quantifiable added value and were implemented and used in accordance with the regulations. He also calls on the Commission to improve strategic planning and to secure sustainability and viability of the projects by setting it as a clear requirement. Mr Zdechovsky regrets that there are only a few tangible results in terms of implementing anti-corruption legislation and the progress in the fight against corruption is only very slow. He stresses that the entire rule of law system needs to deliver more results with a special focus on strengthening the fight against corruption and organised crime.

The ECA report and the draft working document are available on the [CONT website](#).

The Rapporteur's recommendations will possibly be included in the 2015 Commission discharge report.

Members of AFTET committee and Montenegro Delegation were invited to the exchange of views.

## 11. ANY OTHER BUSINESS

## 12. NEXT MEETINGS

- 9 January 2017, 15.00 to 18.30 (Brussels)
- 23 January 2017, 15.00 to 18.30 (Brussels)
- 24 January 2017, 09.00 to 12.30 and 15.00 to 18.30 (Brussels)
- 30 January 2017, 15.00 to 18.30 (Brussels)
- 31 January 2017, 09.00 to 12.30 and 15.00 to 18.30 (Brussels)

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