

WEDNESDAY, 12 APRIL 2017

09.00 - 12.30

Room: Paul-Henri Spaak (1A002)

1. ADOPTION OF THE AGENDA

The draft agenda was emailed to Members on 6 April 2017 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, EL, ES, FI, CS, ET, HU, LT, 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.

WEDNESDAY, 12 APRIL 2017

09.00 - 09.15

PUBLIC MEETING

*** ELECTRONIC VOTING ***

3. THE IMPLEMENTATION OF THE EUROPEAN FUND FOR STRATEGIC INVESTMENTS

CONT/8/06319



Adoption of draft opinion

Rapporteur: [Hannu Takkula](#) (ALDE)

Administrator: Olivier Sautière

Main Committees : ECON/BUDG

Shadow Rapporteurs: Petri Sarvamaa (EPP), Georgi Pirinski (S&D), Younous Omarjee (GUE/NGL), Marco Valli (EFDD)

In the framework of the preparation of an INI report on the implementation of EFSI by BUDG and ECON committees, CONT is delivering an opinion.

During the presentation held in CONT on 22 March 2017, the discussion focused on on the following key considerations after 1.5 year of implementation of EFSI, namely:

- i. the effective additionality, new dynamics and added value of selected projects;
- ii. the need for further transparency and publicity on the criteria of major EFSI projects to increase the attractiveness of markets for the EFSI as an efficient funding tool;
- iii. the identification of distinct, truly additional, innovative and riskier project profiles;
- iv. the current geographical imbalances and sectoral concentration of the EFSI portfolio;
- v. the streamlining of the governance arrangements.

The deadline for tabling amendments was 28 March 2017. 72 amendments were tabled.

The draft opinion and amendments are available on the [CONT website](#).

CONT Timetable:

Event	Body	Date
Adoption in ECON/BUDG	ECON/BUDG	24 April

4. EXTENSION OF THE DURATION OF THE EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI) AS WELL AS THE INTRODUCTION OF TECHNICAL ENHANCEMENTS FOR THAT FUND AND THE EUROPEAN INVESTMENT ADVISORY HUB

CONT/8/08669



Adoption of draft opinion

Rapporteur: [Hannu Takkula](#) (ALDE)
 Administrator: Olivier Sautière
 Main Committees : ECON/BUDG

Shadow Rapporteurs: Petri Sarvamaa (EPP), Georgi Pirinski (S&D), Marco Valli (EFDD)

On 14 September 2016, the Commission, in accordance with Article 18 of Regulation (EU) 2015/1017, proposed an extension of the duration of the European fund for strategic investments (EFSI) until 31 December 2020 and the -introduction of technical enhancements for that fund and the European Investment Advisory Hub, for which CONT is delivering an opinion in the context of the ordinary legislative procedure (2016/0276(COD))

The new proposal, referred to as EFSI 2.0, includes an increase in the EU guarantee from €16 to 26 billion and in EIB capital from €5 to 7.5 billion, which should mobilise private and public investment of €500 billion over the period until 2020.

The CONT committee held an exchange of views on 22 March 2017 on the proposed draft regulation and proposed amendments related to the strengthening of the additionality vis-à-vis other existing Union instruments and the EIB's main operations, the current geographical and sectorial imbalance of EFSI support, the increased use of the European Advisory Hub to provide technical assistance at regional and local levels across the Union as well as to ensure better communication and visibility.

The deadline for tabling amendments was 28 March 2017. 94 amendments were tabled.

The draft opinion and amendments are available on the [CONT website](#).

CONT Timetable:

Event	Body	Date
Adoption in ECON/BUDG	ECON/BUDG	24 April

5. EUROPEAN FUND FOR SUSTAINABLE DEVELOPMENT (EFSD) AND ESTABLISHING THE EFSD GUARANTEE AND THE EFSD GUARANTEE FUND

CONT/8/08591

Adoption of draft opinion



Rapporteur: [Indrek Tarand](#) (Greens/EFA)

Administrator: Olivier Sautière

Main Committees : DEVE/AFET/BUDG

Shadow Rapporteurs: Claudia Schmidt (EPP), Miroslav Poche (S&D), Younous Omarjee (GUE/NGL), Marco Valli (EFDD)

On 28 June 2016, the European Council asked the Commission to present a proposal for an ambitious External Investment Plan (EIP) as a part of the EU's new Partnership Framework with third countries under the European Agenda for Migration. The new plan is based on three pillars: a new investment fund (pillar 1); technical assistance to help local authorities and companies to develop a higher number of sustainable projects and attract investors (pillar 2), and a range of dedicated thematic, national and regional EU development cooperation programmes combined with structured political dialogue targeted at improving the investment climate and overall policy environment in the countries concerned (pillar 3).

In this context CONT is delivering an opinion within the ordinary legislative procedure (2016/0281(COD)).

During the presentation of the draft opinion on 22 March 2017, the discussion focused on a number of amendments addressing the following issues:

- i. ensuring a balanced geographical approach so that all signatories to the ACP-EC Partnership Agreement and all Neighbourhood countries have a fair chance to access funding under the External Investment Plan;
- ii. providing guidance and all the necessary information for investors wishing to invest in development activities as well as an assessment of the quality of the operations covered by the EFSD Guarantee and their related risk exposure, either political, operational or financial;
- iii. the composition of the strategic board and the Parliament presence with an observer status;
- iv. ensuring an effective transparency with the publication of the minutes of the meetings of the Strategic Board and the scoreboard of indicators once an operation under the guarantee is approved;
- v. the role of the Court of Auditors and overall,
- vi. the respect of the Union political objectives and targets.

The deadline for tabling amendments was 28 March 2017. 58 amendments were tabled.

The draft opinion and amendments are available on the [CONT website](#).

CONT Timetable:

Event	Body	Date
Adoption in DEVE/AFET/BUDG	DEVE/AFET/BUDG	24 April

*** END OF ELECTRONIC VOTING ***

WEDNESDAY, 12 APRIL 2017

09.15 - 10.15

PUBLIC MEETING

6. PARTIAL RENEWAL OF MEMBERS OF THE COURT OF AUDITORS - HU NOMINEE

CONT/8/09469

Hearing of Ildikó Gáll-Pelcz, Candidate nominated by the Hungarian authorities

Rapporteur: [Indrek Tarand](#) (Greens/EFA)

Administrator: Olivier Sautière

Shadow Rapporteur: Inés Ayala Sender (S&D)

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.

On 2 March 2017, the following candidate has been proposed by Hungary: Ms Ildikó Gáll-Pelcz

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**.

Committee on Budgetary Control

According to Rule 121, the committee shall vote by secret ballot. The vote may be carried out by means of the electronic voting system. (In accordance with Rule 181) Members should indicate for each candidate whether they give a favourable opinion, a negative opinion or abstain.

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

The draft report was circulated to Members on 7 April and is available on the [CONT website](#).

CONT Timetable:

Event	Body	Date
Adoption in Plenary	Plenary	APRIL II

WEDNESDAY, 12 APRIL 2017

10.15 - 10.30

IN CAMERA

7. PARTIAL RENEWAL OF MEMBERS OF THE COURT OF AUDITORS - HU NOMINEE

Evaluation, votes and adoption of draft report

¹ Parliament's resolution of 4 February 2014

WEDNESDAY, 12 APRIL 2017

10.30 - 12.00

PUBLIC MEETING

8. ECA SPECIAL REPORT N° 5/2017 (2016 DISCHARGE) ON “IS THE YOUTH GUARANTEE DELIVERING RESULTS IN MEMBER STATES AND IS THE YOUTH EMPLOYMENT INITIATIVE CONTRIBUTING TO IT?”

CONT/8/09637



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

Rapporteur: [Derek Vaughan](#) (S&D)
Administrator: Tereza Pinto De Rezende

The Court in this report examined the progress made by the EU Youth Guarantee (YG) in ensuring that under-25s receive an offer of employment, education, apprenticeship or training within four months of leaving school or becoming unemployed. It also evaluated the Youth Employment Initiative (YEI), which increased financial support for those struggling the most.

The Court found limited progress and results that fall short of expectations with regard to providing a good quality offer to all NEETs (not in employment, education or training) and made a number of recommendations both to the Member States and to the European Commission to improve the current and future initiatives in the area of employment.

The YEI have an approved budget of 6.4 billion euros (3.2 billion from a specific new EU budget line to be matched by 3.2 billion euro from ESF national allocations). In September 2016, the Commission proposed that the budget for the YEI should be extended and that it should provide an additional 1 billion euro for the YEI's specific budget allocation over the 2017-2020 period (matched by 1 billion euro from the ESF), to reach the total amount of 8 billion euro.

The Rapporteur welcomed the Court report and its recommendations. He pointed out the particular case of the NEET population, which inclusion in the education or labour market has shown to be the most challenging part of the combat of youth unemployment. The mismatching of education and the labour market demands as well as the data collection and provision to assess the results was also of concern to the Rapporteur.

This special report 5/2017 will complete the cycle of three ECA SRs - SR 3/2015 and SR17/2015 - that will support the initiative report “*Control of spending and monitoring of EU Youth Guarantee schemes cost-effectiveness*”.

The Rapporteur's recommendations will possibly be included in the 2016 Commission discharge report.

The Members of the EMPL committee were invited to the exchange of views.

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

9. NEW FUNDING ARRANGEMENTS BETWEEN THE EU AND THE WORLD BANK AND ITS EFFECTS ON THE EU BUDGET

Exchange of views with *Olivier Waelbroeck*, Director of the Central Financial Service of DG BUDG

On 12.4.2016 the Commission amended its Decision C(2014) 5434 authorising the use of reimbursement on the basis of unit costs for activities implemented by a World Bank Group entity under the Framework Agreement with the Union.

In its 2015 Commission discharge report (points 243 and 244) CONT expressed concerns that the new funding arrangement, replacing a flat management fee with a more complex formula, and foreseeing in particular that certain projects directly carried out by the World Bank could be subject to a 17% charge on the cost of personnel and consultants, may be detrimental to the budget of the Union and could result in payments exceeding the 7% cap on management fees forbidden by article 124.4 of the Financial Regulation.

At the same time CONT pointed out that the management fee paid to the World Bank will not be used for development and cooperation projects and questioned whether the World Bank Group should be remunerated by the Commission for banking activities that are at the core of its mission of banker.

It was decided to hold an exchange of view with the Commission on this issue.

10. CONT DELEGATION TO JORDAN-LEBANON (20-23 SEPTEMBER 2016)



Exchange of views on the delegation report

Rapporteur: [Ingeborg Gräßle](#) (EPP)
Administrator: Michal Czaplicki

The 1948 Arab-Israeli war has created a huge out flux of Palestinian refugees who have settled in the neighbouring Arab countries. Jordan and Lebanon are the countries hosting the highest number of Palestinian refugees – over 2 million in Jordan and half a million in Lebanon. The Palestinian refugees are being taken care of by UNRWA – the United Nations Relief and Works Agency, which has been created exclusively for this purpose. Since 1971 the EU is contributing between 100 and 175 million euro annually to UNRWA. As this is a long-term commitment of the EU, with no clear end-date in sight, the Budgetary Control Committee decided to monitor the efficiency of spending of these funds.

The delegation consisted of seven Members. It took place from 20 until 23 September 2016. The program was split into two parts.

The first part took place in Lebanon (20-21 September), where the CONT Delegation run in parallel with the LIBE (Civil Liberties, Justice and Home Affairs Committee) Delegation. The LIBE delegation focused on civil liberties aspects of the refugees hosted by Lebanon. Both Committees have closely coordinated activities in order to avoid any overlap, as recommended by the Conference of Presidents of the EP. The second part of the delegation took place in Jordan (21-23 September), where additionally to the issue of the Palestinian refugees, the delegation monitored also the situation of the Syrian refugees, as Jordan hosts 1.8 million of them.

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

11. CONT DELEGATION TO TURKEY (1-4 NOVEMBER 2016)



Exchange of views on the delegation report

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

Administrator: Michal Czaplicki

Turkey is an associate member of the European Economic Community since 1963. It became a candidate country in 1987. It opened negotiations with the European Union started in 2005 and since then Turkey obtains EU pre-accession funds. Turkey is also one of the countries hosting the highest number of Syrian refugees. Since 2011, the country welcomed over 2.7 million of them. More than 90% of Syrians live among the Turkish population and only 10% in the camps. Turkey is also situated on the major immigration route from Asia and Africa into Europe. In 2015, Turkey became the origin of a mass influx of refugees into the EU. The EU decided to remedy this by, inter alia, providing Turkey with a Facility for Refugee program, which includes 3 billion euro of aid.

In the light of the above, the Budgetary Control Committee decided to organise a delegation to Turkey in order to monitor how the pre-accession funds are being implemented and how is Turkey going to use the money provided in the Facility for Refugees program.

The program of the delegation started with official visits in Ankara, where the delegation met with the representatives of the central authorities – the Turkish Grand National Assembly and with various ministries responsible for implementing EU funds. The delegation met also with representatives of international organisations responsible for humanitarian aid.

The second part of the visit included visits in Eastern Anatolia, where the delegation visited two cities – Kayseri and Kahramanmaras. In Kayseri, the delegation visited a removal center for asylum seekers and a technology park funded by pre-accession funds. In Kahramanmaras the delegation visited a Syrian refugee camp and a school teaching Syrian children.

The delegation consisted of six Members and was chaired by Ms Inge Gräßle.

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

12. ANY OTHER BUSINESS

13. NEXT MEETINGS

- 3 May 2017, 15.00 - 18.30 (Brussels)
- 4 May 2017, 09.00 - 12.30 (Brussels)
- 29 May 2017, 15.00 - 18.30 (Brussels)
- 30 May, 12.30 - 12.30 and 15.00 to 18.30 (Brussels)

WATCH LIVE

Watch the CONT committee meeting live on the [EP website](#) or on [Europarl TV](#)

PAPERLESS PROGRAMME (INTERNAL USERS ONLY)

Access CONT committee meeting documents on [eMeeting](#) or any CONT committee information on [eCommittee](#)

FOR FURTHER INFORMATION

Contact the CONT Secretariat or visit the website of the CONT committee