

WEDNESDAY, 3 MAY 2017

15.00 - 18.30

Room: Altiero Spinelli (1G-3)

1. ADOPTION OF THE AGENDA

The draft agenda was emailed to Members on 27 April 2017 and is in the [file for the meeting](#).

2. CHAIR'S ANNOUNCEMENTS

The Chair 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 vote and Members are reminded to bring their electronic voting card.

WEDNESDAY, 3 MAY 2017

15.00 - 18.30

PUBLIC MEETING

*** ELECTRONIC VOTING ***

3. COST EFFECTIVENESS OF THE 7TH RESEARCH PROGRAMME

CONT/8/05051



Adoption of draft INI report

Co-Rapporteurs: [Inés Ayala Sender](#) (S&D) and [Martina Dlabajová](#) (ALDE)

Administrator: Christian Ehlers

Shadow Rapporteurs: Andrey Novakov (EPP), Younous Omarjee (GUE/NGL), Indrek Tarand (Greens/EFA), Marco Valli (EFDD)

The Committee decided to look into the question, whether the seventh research framework programme (FP7) was implemented in a cost-effective way.

The two rapporteurs arrived at the conclusion that the Commission – overall – managed the FP7 cost effectively. Nevertheless, they call on the Commission to ensure that modernisations introduced under Horizon 2020, such as flat rates for indirect costs, a single audit strategy, single participant portal, etc., are applied in a similar way in other policy areas, e.g. structural funds, and stress that all grant beneficiaries should be treated fairly and evenly. The rapporteurs also voiced concern about the fact that in their evaluation reports both agencies, the Research Executive Agency (REA) and the European Research Council Executive Agency (ERCEA), point out that the feedback loops and communication between the Commission and the executive agencies could be further improved.

64 amendments have been tabled by the Members. The voting list will be circulated as soon as possible.

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

CONT Timetable:

Event	Body	Date
Adoption in Plenary	Plenary	JUNE (tbc)

*** END OF ELECTRONIC VOTING ***

4. CONT DELEGATION TO WASHINGTON (22-26 MAY 2017)

CONT/8/09815



Exchange of views on the delegation programme

Rapporteur: Ingeborg Gräßle (EPP)

Administrator: Olivier Sautière

The Committee on Budgetary Control is organising a fact-finding mission to Washington D.C. from 22 to 26 May 2017 with a threefold objective:

- to discuss with the World Bank and possibly with the United Nations Development Programme their overseeing and cooperation frameworks when the management of EU funds is at stake in joint programmes;
- to exchange views on experiences and challenges related to the implementation of performance audits by the US Government Accountability Office; and
- to meet with various US oversight entities (House Committee on the Budget, House Committee on Oversight, Congressional Budget Office (CBO) and Office of Management and Budget (OMB)) in order to learn how efficient, effective and transparent spending is ensured in the US federal budget.

This exchange of views with European Commission's services provides an opportunity to have preliminary information on EU-funded programs managed on behalf of the Commission by the World Bank Group and the United Nations Development Programme.

5. ECA SPECIAL REPORT N° 1/2017 (2016 DISCHARGE) ON "MORE EFFORTS NEEDED TO IMPLEMENT THE NATURA 2000 NETWORK TO ITS FULL POTENTIAL"

CONT/8/09615



Presentation of the Special Report by the Member of the European Court of Auditors responsible, *Nikolaos Millionis*, and consideration of working document

Rapporteur: [Tomáš Zdechovský](#) (EPP)

Administrator: Christian Ehlers

Biodiversity loss is one of the main environmental challenges facing the EU. A key element of the EU's 2020 strategy to halt biodiversity loss and improve the status of habitats and species is the Natura 2000 network established under the Birds and Habitats Directives. These directives provide a common framework for nature protection across the Member States. Covering more than 18 % of the EU's land area and around 6 % of the EU's sea area, the Natura 2000 network has over 27 000 sites all over Europe, protecting diverse habitats and species. In order to deliver on the headline target of halting biodiversity loss by 2020, the EU biodiversity strategy sets six operational targets, comprising 20 actions. The Court's report focused on the first target, which relates to the Natura 2000 network and the full implementation of the Birds and Habitats Directives, widely known as the Nature Directives. These directives established the Natura 2000 network as a 'coherent European ecological network of special areas of conservation' (SACs)

Committee on Budgetary Control

The objective of the audit was to answer the question: Has the Natura 2000 network been appropriately implemented? The Court analysed in particular whether:

- has the Natura 2000 network been appropriately managed?
- has the Natura 2000 been appropriately financed?, and
- has the Natura 2000 been appropriately monitored?

The Court concluded that the Natura 2000 network had not been implemented to its full potential. Significant progress is needed from the Member States, and more efforts from the Commission, in order to better contribute to the ambitious goals of the EU 2020 biodiversity strategy.

In particular, the Court was of the opinion that Member States were not managing the Natura 2000 network sufficiently well. Coordination between relevant authorities, stakeholders' participation and cross-border cooperation were not sufficiently developed.

The Court found that the Commission actively supervised the implementation of Natura 2000, although there was scope to improve the dissemination of its guidance to the Member States.

According to the Court the EU funds were not well mobilised to support the management of the Natura 2000 network. There was a lack of reliable information on the EU funds used for Natura 2000 over the 2007-2013 programming period. There were weaknesses in the preparation of Prioritized Action Frameworks (PAFs) by Member States, and the assessment of funding needs for the 2014-2020 programming period was not accurate.

The Court was of the opinion that EU funding schemes, in particular under the Common Agricultural Policy (CAP) and regional/cohesion policy, were insufficiently tailored to the objectives of the Natura 2000 sites.

The rapporteur fully supports the Natura 2000 network established under the Birds and Habitats Directives as a key element of the EU's 2020 strategy, with the view to halting biodiversity loss and improving the status of habitats and species. He welcomes the Court's special report and endorses its recommendations; at the same time he is deeply concerned by many of the Court's findings.

He is of the opinion that financial allocations for Natura 2000 must be identifiable and their use traceable, otherwise the impact of investments cannot be measured.

The rapporteur also notes with surprise that the Commission assessed the effectiveness and relevance of nature legislation in 2014/2015 and that consultants presented first draft findings during a conference on 20 November 2015 and that however, the Commission's evaluation had not been finalized by the time the Court's audit work was completed in September 2016. He calls on the Commission to inform its competent committees of the evaluation findings.

The rapporteur's working document is available on the [CONT web site](#).

The rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2016.

6. GENERAL BUDGET OF THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2018 - ALL SECTIONS

CONT/8/09504

Exchange of views with the General Rapporteur for the 2018 Budget, *Siegfried Mureşan*



Rapporteur: [Joachim Zeller](#) (EPP)
Administrator: Philippe Godts

As usual, the General Rapporteur for the next EU budget, will visit the parliamentary committees in order to exchange views on their priorities.

CONT will have on 3 May the opportunity to debate with the general Rapporteur, Mr Muresan, on its main concerns as expressed in the last resolutions on the discharge for 2015 and in the framework of the Guidelines for the budget 2018 adopted by the plenary on 15 March 2017. The European Parliament stated in particular that, while maintaining budget discipline, the EU budget must be equipped with the tools to enable it to respond to multiple crises simultaneously, a certain level of flexibility thus being required. The Parliament was also of the opinion that, while growth and jobs continue to remain the core priorities of the EU budget, obtaining sustainable progress and development in these fields has to be accomplished in parallel to addressing EU citizens' concerns regarding safety and security.

7. EXCHANGE OF VIEWS ON ALLEGATIONS MADE BY THE PRESIDENT OF MOLDOVA ON THE MISUSE OF EU FUNDS IN HIS COUNTRY

CONT/8/09834

Exchange of views with Commission representatives (to be confirmed)

The President of Moldova, Mr Igor Dodon, during his visit to Brussels in February 2017, asked President Tusk for EU assistance to investigate allegations of fraud concerning billions of euros in the Moldovan banking system, which was financed by the EU. Additionally, he declared that, between 2007 and 2015, more than €782 million was used to support the transformation of Moldova. According to Mr Dodon, more than half of this money has been affected by fraud (<http://orf.at/stories/2386240/>).

The Commission explained that it had applied strict measures to ensure that EU Funds to Moldova have been spent correctly and based on results. The Commission clarified that the amount of € 782 million, referred to by President Dodon, was in fact the amount allocated to Moldova during 2008 to 2015, but so far, the Commission has paid € 363 million. The Commission invited President Dodon to inform relevant institutions, including the EU, if he has actual evidence of wrongdoing, in such cases, the Commission would take all necessary actions, including suspension of related payments, as it has done previously.

The ECA carried out an audit on the EU support to Moldova, which was discussed in CONT on 8 December 2016. The ECA concluded that the EU faces significant challenges with regards 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 account for a number of the shortcomings observed. Others could be attributed to weaknesses in the design and implementation of the audited programs and projects.

In his working document, the CONT rapporteur, Mr Tamas Zdechovsky, called on the Commission to continue to follow the principles of sound financial management. He encouraged 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.

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

CONT/8/06642



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](#).

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

CONT/8/08015



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. 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.

Committee on Budgetary Control

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 Turkey is using 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](#).

THURSDAY, 4 MAY 2017

09.00 - 10.00

IN CAMERA

10. COORDINATORS' MEETING

Meeting held in Camera



THURSDAY, 4 MAY 2017

10.00 - 12.30

PUBLIC MEETING

11. JOINT CONT-BUDG WORKSHOP ON "OVERSIGHT AND RESOURCES OF PARTIALLY AND FULLY SELF-FINANCED AGENCIES"

CJ13/8/09797



Co-Rapporteurs: [Derek Vaughan](#) (S&D) & [Jens Geir](#) (S&D)
Administrator: Rudolfs Verdins

"This workshop is organised following the CONT coordinators request of 6 October, and their decision of 23 January 2017 to organise it as a joint BUDG and CONT committees' event. The rapporteurs for the workshop are Mr Derek Vaughan, Vice-chair of CONT committee, and Mr Jens Geir, standing rapporteur for the Agencies in BUDG committee.

Five interventions are foreseen:

- Mr Silvano Presa, Deputy Director General at the European Commission;
- Mr Bernhard Url, Executive Director, European Food Safety Authority (EFSA, currently presiding over the Agencies network);
- Prof. Ellen Vos, Leading project partner, representing The Academic Research Network on Agencification of EU Executive Governance (TARN);
- Mr Martin Ekvad, President of the Community Plant Variety Office (CPVO, a fully self-financed agency); and
- Mr Patrick Ky, Executive Director of the European Aviation Safety Agency (EASA, a partially self-financed agency).

The workshop aims to address topics concerning fully and partially self-financed agencies related to both CONT and BUDG committees' competences. From the point of oversight, items for discussion may include the question of discharge procedure for fully self-financed agencies, prevention of conflict of interest in case of the fee collecting agencies, ECA financial audit outsourcing provisions, and the question of carryovers. With regards of the agencies' resources, the workshop may look into the principles of fee setting, and 5% cut and the redeployment pool vs. need to provide timely services to industry which is paying for them. Points of interest for both BUDG and CONT remain the questions of performance, efficiency and effectiveness, such as indicators for measuring outputs and ways to compare them across the agencies, developing synergies and shared services, and possible grouping or clustering of the agencies."

12. ANY OTHER BUSINESS

13. NEXT MEETINGS

- 29 May 2017, 15.00 - 18.30 (Brussels)
- 30 May 2017, 9.00 - 12.30 and 15.00 to 18.30 (Brussels)
- 21 June 2017, 9.00 - 12.30 and 15.00 - 18.30 (Brussels)
- 22 June 2017, 9.00 - 12.30 (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