

MONDAY, 26 JUNE 2017

15.00 - 18.30

Room: Paul-Henri Spaak (3C050)

1. ADOPTION OF THE AGENDA

The draft agenda was emailed to Members on 20 June 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 ,ES ,CS ,ET ,HU ,PL ,BG ,RO, EL, FI, LT, SL, SK, PT

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.

MONDAY, 26 JUNE 2017

15.00 - 18.30

PUBLIC MEETING

3. ECA SPECIAL REPORT N° 2/2017 (2016 DISCHARGE) ON “THE COMMISSION’S NEGOTIATION OF 2014-2020 PARTNERSHIP AGREEMENTS AND PROGRAMMES IN COHESION: SPENDING MORE TARGETED ON EUROPE 2020 PRIORITIES, BUT INCREASINGLY COMPLEX ARRANGEMENTS TO MEASURE PERFORMANCE”

CONT/8/09770



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

Rapporteur: [Georgi Pirinski](#) (S&D)

Administrator: Christian Ehlers

Shadow Rapporteurs: Martina Dlabajová (ALDE), Younous Omarjee (GUE/NGL), Marco Valli (EFDD)

Partnership Agreements (PAs) are strategic investment plans for EU Member States which indicate their national spending priorities for all five European Structural and Investment Funds (ESIF) over a seven year period. There is one PA per Member State prepared in line with the guiding principles of the Common Strategic Framework and on the basis of the National Reform Programmes presenting the country’s policies and measures to sustainable growth and jobs and to reach the Europe 2020 targets, the most recent relevant Country Specific Recommendations and relevant Council recommendations.

The rapporteur, among other points,

- welcomed the Court’s findings, conclusions and recommendations;
- noted the Commission’s replies and that the Commission accepts fully five of the Court’s recommendations and partially two recommendations;
- calls on the Commission to present its proposal for the post-2020 MFF before 1 January 2018;
- emphasized the necessity to avoid delays in adopting operational programmes (OP) in future;
- noted that the Court concluded that the PAs have proven to be an effective instrument for ring-fencing ESI funding for thematic objectives and investment priorities and for supporting the focus on the objectives of the Europe 2020 Strategy for growth and jobs;
- observed that the draft operational programmes should not be adopted by the College of Commissioners;
- called on Member States and the Commission to improve their consultation when drafting of the OPs;
- regretted that the Commission did not propose common definitions of “results” and “output” in its proposal for the new Financial Regulation;
- recalled that adequate administrative capacity especially at national and regional level is crucial for smooth management and implementation of OPs;
- called on the Commission to strengthen and facilitate sharing of “best practices” at all levels;
- called on Member States to avoid “gold plating”;
- highlighted the importance of measuring mid- and long-term impact of programmes.

Members received the English version of the working document on 8 June 2017. All other language versions are available on the [CONT website](#).

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

4. ECA SPECIAL REPORT N° 4/2017 (2016 DISCHARGE) ON “PROTECTING THE EU BUDGET FROM IRREGULAR SPENDING: THE COMMISSION MADE INCREASING USE OF PREVENTIVE MEASURES AND FINANCIAL CORRECTIONS IN COHESION DURING THE 2007-2013 PERIOD”

CONT/8/10093



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

Rapporteur: [Georgi Pirinski](#) (S&D)
Administrators: Christian Ehlers and Philippe Godts

Shadow Rapporteurs: Andrey Novakov (EPP) Martina Dlabajová (ALDE), Dennis de Jong (GUE/NGL)

Cohesion policy aims to reduce development disparities between regions, restructure declining industrial areas and encourage cross-border, transnational and interregional cooperation in the European Union. It is the EU's main source of funding for investments, making up some 37 % of overall spending from the EU budget. The funds allocated to cohesion policy were around EUR 230 billion in the 2000-2006 programme period, EUR 346 billion in 2007-2013 and EUR 349 billion in 2014-2020.

Cohesion policy is implemented under shared management, which means that responsibility is shared between the Commission and the Member States. Although the Commission remains responsible for the implementation of the EU budget, the actual management and control of EU funds and programmes is delegated to Member States' authorities, which select beneficiaries and distribute funds.

The rapporteur, among other points,

- acknowledged the importance of implementing the objectives of Cohesion policy, namely to reduce development disparities between regions;
- welcomed the Court's findings, conclusions and recommendations and the Commission's readiness to implement them;
- noted overall, the Commission made effective use of the measures at its disposal during the 2007-2013 programme period to protect the EU budget from irregular expenditure;
- welcomed the fact that in the 2007–2013 programme period the Commission started implementing corrective measures and financial corrections much earlier than in the 2000–2006 period and with a greater impact;
- called on the Commission to present an analytical and consolidated report on all preventive measures and financial corrections imposed during the 2007-2013 programme period;
- underlined that payment interruptions and suspensions represent a significant financial risk for Member States and could also lead to difficulties for the Commission in its budgetary management;
- called on the Member States to be more proactive in detecting and correcting irregularities based on their own controls and audits, and to further improve management and control systems at national level;
- called on Member States to provide the Commission with sufficient information in cases of financial corrections triggered by Commission audits in order to ensure swift procedures;
- stressed the importance of proper Commission guidance;

- supported the Court's conclusion that the legal framework as regard financial corrections for the post-2020 programming period should be reinforced;
- called on the Commission to set up an integrated monitoring system;
- called on the Court to focus more on systemic weaknesses in its future audit activities.

Members received the English version of the working document on 8 June 2017. All other language versions are available on the [CONT website](#).

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

5. CONTROL OF SPENDING AND MONITORING OF EU YOUTH GUARANTEE SCHEMES COST-EFFECTIVENESS

CONT/8/07997



Consideration of draft report

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

Shadow Rapporteurs: José Ignacio Salfranca Sánchez-Neyra (EPP), Martina Dlabajová (ALDE), Younous Omarjee (GUE/NGL), Bart Staes (Greens/EFA), Marco Valli (EFDD)

Although youth unemployment rate in the EU has decreased in the past few years, it still affects 18.8% of young people. The Rapporteur believes that EU Member States should utilise available EU financial support to tackle this longstanding situation, focusing particularly on those young people not in employment, education or training (NEET). The integration of NEETs requires significantly more EU financing and Member States should also mobilise additional resources from their national budgets. He welcomes the Youth Employment initiative (YEI) frontloading in the years 2014 and 2015 with increased pre-financing EUR 1 billion as well as the agreement to extend the YEI until 2020. A focus should be put on the exchange of best practices to ensure that NEETs will benefit from a Youth Guarantee (YG) scheme and to overcome the persistent challenge of skills mismatches with labour market demands. Taking into account that the YG requires "Member States to ensure that all young people under the age of 25 (or 30 in some Member States) receive a good-quality offer of employment, continued education, apprenticeship or traineeship within four months after becoming unemployed or leaving formal education", the Rapporteur also challenges Member States to develop a commonly agreed set of characteristics to define the concept of quality offer. Finally, the importance of reporting and comparability of data is highlighted, and a cost estimation to assess the value for money of the YG scheme is proposed.

CONT Timetable:

Event	Body	Date
Deadline for amendments	CONT	10 July
Consideration of draft amendments	CONT	4 September
Adoption in CONT	CONT	25 September
Adoption in Plenary	Plenary	October II

6. CONT MISSION TO CROATIA AND SERBIA (17-20 JULY 2017)

CONT/8/10251

Exchange of views with Commission representatives in preparation for the mission

On 21 November 2016 the Conference of Presidents of the European Parliament authorised a mission of the CONT Committee to Croatia and Serbia, which will now take place from 17 to 20 July 2017.

The mission aims to investigate how effectively the European Union funds, and in particular the Instrument for Pre-accession Assistance (IPA), are spent in Serbia. There the delegation will have a closer look at different projects, the efficiency and effectiveness of implemented controls as well as Serbia's plans to increase administrative capacity and to support the development of SMEs. After visiting Serbia, the CONT delegation will head to Croatia for a continuation of the mission, with the similar aim of assessing the absorption of EU structural and cohesion funds, the efficiency and effectiveness of implemented controls and Croatia's plans to increase its administrative capacity.

7. ECA SPECIAL REPORT N° 3/2017 (2016 DISCHARGE) ON "EU ASSISTANCE TO TUNISIA"

CONT/8/09616



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

Rapporteur: [Gilles Pargneaux](#) (S&D)

Administrator: Olivier Sautière

Shadow Rapporteurs: Tomáš Zdechovský (EPP), Mighel Viegas (GUE/NGL)

Tunisia is a lower middle income country situated in North Africa with a population of approximately 11 million and a Gross National Income per capita of 3970 USD. The 'Jasmine Revolution' of January 2011, regarded as the first of the 'Arab Spring' series of uprisings, brought an end to a 23-year-long rule of the President Zine El Abidine Ben Ali. Among the post Arab Spring revolution countries, Tunisia is the one with the most advanced political transition. In the past four years, it adopted a new constitution and held free and fair elections.

The bilateral cooperation assistance allocated to Tunisia for the period from 2011 to 2015 was 1.3 billion euro, through the European Neighbourhood and Partnership Instrument (ENPI) and the European Neighbourhood Instrument (ENI), thematic instruments and programmes, humanitarian aid, the Neighbourhood Investment Facility (NIF), and one Macro-Financial Assistance (MFA) agreement signed in 2014. General and sectoral budget support programmes were also implemented by the Commission to relaunch the economy and to make structural reforms in various areas. Additionally, classical projects related to services, works, procurement of equipment were funded and contracted with different types of implementing bodies such as UN agencies, national agencies and civil society organisations.

The Court examined (i) whether the EU assistance delivered to Tunisia after the Arab Spring revolution of 2011 has been well spent; (ii) whether the EEAS and the Commission addressed key challenges faced by Tunisia; and (iii) whether the Commission implemented its programmes well. On this basis, the Court came to the following conclusions:

- the Court observed that funds were significantly increased to address urgent requirements but noted that an excessively wide range of activities was covered and strategic documents set very broad priority areas;
- with regard to donor cooperation, the EU actions were well coordinated with the main international development stakeholders in Tunisia;

Committee on Budgetary Control

- the Court acknowledged that general budget support was disbursed quickly but the conditionality attached was too flexible (notably for the Programme d'Appui à la Relance - PAR) and reported as well the absence of an overall evaluation of the PAR programmes;
- the Court considered the sectoral budget support programmes to lack credible strategies;
- the Court found that the funded projects tackled relevant issues but were affected by design weaknesses which made performance assessment difficult; in addition it came to substantial delays in the execution of the projects;
- the impact and sustainability of the results achieved were not safeguarded by a proper exit strategy for three projects.

The Rapporteur welcomes the special report and notes that the EU funding was generally well spent as it contributed significantly to the democratic transition and the economic stability of Tunisia after the revolution but asks the Commission and the EEAS, however, to narrow down the focus of their actions to a smaller number of well-defined areas in order to maximise the impact of the EU assistance.

While acknowledging that the Commission and the EEAS had to work in a volatile political, social and security context, which accounted for a major challenge in the delivery of comprehensive aid, the Rapporteur calls on the Commission to further fine-tune the approach for sectoral budget support by outlining the country's priorities, the design of conditions and thus facilitate a more structured and targeted EU approach.

The Rapporteur further stresses both the significance of an extensive assessment of Public Finance Management in order to identify potential weaknesses in the EU aid provision and address them. Additionally, he highlights the need to improve the design of projects by establishing a set of precise baselines and indicators to properly evaluate the realisation of the objectives.

He finally considers the necessity of focusing on long-term, sustainable economic development rather than on actions which bring about only temporary recovery on the job market.

The Rapporteur's working document (EN) is available on the [CONT website](#).

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

8. ANY OTHER BUSINESS

9. NEXT MEETINGS

- 12 July 2017, 9.00 - 12.30 and 15.00 - 18.30 (Brussels)
- 13 July 2017, 9.00 - 12.30 (Brussels)

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