

**WEDNESDAY, 11 OCTOBER 2017**

08.45 - 12.30 and 14.30 - 18.30

**THURSDAY, 12 OCTOBER 2017**

09.00 - 12.30

Room: Altiero Spinelli (3G-3)

## 1. ADOPTION OF THE AGENDA

The draft agenda was emailed to Members on 5 October 2017 and is in the [file for the meeting](#).

## 2. CHAIR'S ANNOUNCEMENTS

The Chair draws attention to the following points:

### Afternoon sessions

Following the decision of the Secretary-General a test phase will take place during week 41, 47 and 48 where committee meetings on Tuesday and Wednesday afternoons will start at 14.30. Afternoon sessions of CONT meetings of Wednesday, 11 October, Tuesday, 21 November and Tuesday, 28 November will therefore start at 14.30.

### 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.

## 3. APPROVAL OF MINUTES

- 29-30 May 2017
- 21-22 June 2017
- 26 June
- 12-13 July 2017

If no objections are received before the end of the meeting, the minutes will be deemed approved.

WEDNESDAY, 11 OCTOBER 2017

08.45 - 09.00

PUBLIC MEETING

**Short presentation of the recently published ECA Special Report:**

**4. ECA SPECIAL REPORT LANDSCAPE REVIEW (DISCHARGE 2016): EU ENERGY AND CLIMATE STRATEGY**

CONT/8/11205



**Presentation of the Special Report by the Member of the European Court of Auditors responsible, *Phil Wynnn Owen***

Rapporteur: [Claudia Schmidt](#) (EPP)

Administrators: Michal Czaplicki

Shadow Rapporteurs: Arndt Kohn (S&D), Luke Ming Flanagan (GUE/NGL)

This ECA landscape review aims to provide an overview of what the EU is doing in the field of energy and climate strategy, to summarise key audit work the ECA and other Supreme Audit Institutions in the EU have done to date and to identify main challenges to inform the legislative debate and future audit work. In November 2016, the Commission produced its so-called "Clean Energy for All Europeans" package of proposals for further reforming the energy market. These proposals are currently under consideration by EU legislators. On climate change, most EU actions focus on mitigating climate change by reducing greenhouse gas emissions, while action on the adaptation to the effects of climate change remains largely unregulated. This landscape review identifies seven areas of main challenges: energy and climate change governance, evidence-based policy, energy transition, using research and innovation effectively, planning for and tackling adaptation, financing and involving EU citizens.

As a follow-up, a working document will be circulated to all CONT MEPs. The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2017.

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

**WEDNESDAY, 11 OCTOBER 2017**

09.00 - 11.00

**PUBLIC MEETING**

## 5. WORKSHOP ON POST-2020 AUDIT REFORM IN EU INVESTMENTS : MISSION POSSIBLE

CONT/8/11207



Rapporteur: [Andrey Novakov](#) (EPP)  
Administrators: Vera Milicevic (PolDep) and Christian Ehlers (CONT)

In July 2017 Coordinators decided, upon a proposal from the EPP, to organise a workshop on a post-2020 audit reform and Andrey Novakov was nominated rapporteur.

Audit work has changed over the years. Compliance audits look principally at the legality and regularity of payments, but they say nothing about whether the political and economic objectives were achieved. A bridge in the middle of nowhere may have been built in respect of public procurement rules and contract obligations. These compliance audits are increasingly supplemented by performance audits, in which you try to answer the question whether the objective was achieved in an economic, effective and efficient manner. In spite of the growing complexity of the audit process the administrative burden for beneficiaries should remain reasonable. The key question is: How do we strike the right balance between providing easy access to European public funds for beneficiaries, while guaranteeing sound financial management. One element which has to be put in place for this purpose is a single audit chain, where one level builds on the work of the other.

The agenda of the workshop and also the available contributions of the speakers can be found on the [committee website](#).

**WEDNESDAY, 11 OCTOBER 2017**

11.00 - 12.30

**PUBLIC MEETING**

## 6. THE NEXT MFF : PREPARING THE PARLIAMENT'S POSITION ON THE MFF POST-2020

CONT/8/09705



### Consideration of draft opinion

Rapporteur: [Petri Sarvamaa](#) (EPP)  
Administrators: Philippe Godts  
Main Committee: BUDG

Shadow Rapporteurs: Boguslaw Liberadzki (S&D), Younous Omarjee (GUE/NGL)

On the occasion of this second exchange of views, the rapporteur will present the main elements of his draft opinion.

In particular, he addresses the following issues: the alignment of the budgetary and strategy cycles, the need of a comprehensive review of EU spending and of more budget flexibility organised by objectives and emerging priorities. He insists on the need to well justify the European added value, to put an end to the RALs, to put in place a real evaluation and effective budget capacity and develops some ideas on how to fill the gap after Brexit in streamlining the budget and introducing new resources.

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

### CONT Timetable:

Event	Body	Date
Deadline for amendments	CONT	30 October 2017
Adoption in CONT	CONT	21 November 2017

## 7. ECA SPECIAL REPORT 30/2016 (DISCHARGE 2016): THE EFFECTIVENESS OF EU SUPPORT TO PRIORITY SECTORS IN HONDURAS

CONT/8/08930



### Presentation of the Special Report by the Member of the European Court of Auditors responsible, *Bettina Jakobsen*

Rapporteur: [Inés Ayala Sender](#) (S&D)

Administrator: Olivier Sautière

Shadow Rapporteurs: José Ignacio Salafranca Sánchez-Neyra (EPP), Nedzhmi Ali (ALDE), Miguel Viegas (GUE/NGL)

Honduras is a lower middle income country located in Central America with a population exceeding eight million. It was ranked 131 out of 188 on the 2015 United Nations human development index and is therefore considered to have a medium human development. The country has one of the highest poverty rates in Latin America. 68.2 % of the population are affected, with 39.7 % of the population in a situation of extreme poverty. Honduras is also one of the most inequitable societies in Latin America. Macroeconomic instability has been identified as one of the causes of low growth and insufficient poverty reduction. In addition, Honduras is known as a very violent country with a per capita murder rate that is among the highest in the world. Together with impunity and corruption, this is a fundamental obstacle to its development.

The EU ranks fourth among the donors in Honduras, representing 11 % of all official development assistance in the country. The Commission programmes the EU's bilateral support for periods of seven years. The overall envelope was increased from 223 million euro for the 2007-2013 period to 235 million euro for 2014-2020. The main priorities identified for 2007-2013 were poverty reduction, natural resources, and security and justice whereas the main priorities for 2014-2020 are food security, with a focus on family agriculture, employment and decent work, and rule of law.

About half the value of bilateral support is provided through budget support. The other half is implemented in the form of projects. The Commission accompanies the EU's actions with policy dialogue. Besides the bilateral means of aid, Honduras has benefited from regional programmes and thematic projects for Latin and Central America.

The Court assessed the effectiveness of EU development support to priority sectors in Honduras. Therefore, it examined the Commission's management and the degree to which the EU's development support objectives have been achieved. The priority sectors examined were poverty reduction, natural resources, and security and justice. These sectors received 89 % of expenditure under bilateral support over the 2007-2015 period. The Court reported the following findings:

- The EU aid to Honduras has helped with a number of positive developments, but the overall situation in the country remains worrying as poverty has increased, the area of forest has decreased, and there is still widespread violence with a very high homicide rate;
- The EU action was relevant and generally delivered the expected outputs but difficult circumstances in the country and a number of management weaknesses hindered its impact;
- The Commission's approach was insufficiently focused, while financial assistance was spread over many areas, which increased the risk of jeopardising its impact;
- Shortcomings were also observed in the Commission's monitoring;
- Although there is a good donor coordination structure in Honduras, actual collaboration was relatively limited, which in some cases led to overlapping support;
- The Commission has developed strategies to structure a constructive policy dialogue with the Government of Honduras in various areas, which is considered as a good practice, although there are no written assessments of the degree to which the objectives have been achieved;
- Budget support in Honduras involved substantial risks due to the unstable macroeconomic framework and weak public financial management. Although the Commission managed to partly mitigate these risks, it did not assess budget support eligibility in a sufficiently structured manner to show that the country's progress was in line with clearly defined benchmarks and targets;
- The Commission did not always react consistently when Honduras did not comply with the budget support eligibility conditions. This sent contradictory messages that could reduce the aid's effectiveness.

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

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

### **Short presentation of the recently published ECA Special Report:**

#### **8. ECA SPECIAL REPORT 11/2017 (DISCHARGE 2016): THE BÊKOU EU TRUST FUND FOR THE CENTRAL AFRICAN REPUBLIC: A HOPEFUL BEGINNING DESPITE SOME SHORTCOMINGS**

CONT/8/11203



#### **Presentation of the Special Report by the Member of the European Court of Auditors responsible, *Bettina Jakobsen***

Rapporteur: [Benedek Jávor](#) (Greens/EFA)  
Administrators: Olivier Sautière

Shadow Rapporteurs: Joachim Zeller (EPP), Louis-Joseph Manscour (S&D), Younous Omarjee (GUE/NGL)

The Bêkou EU trust fund for the Central African Republic, the first managed by the European Commission, was launched in 2014, to aid one of the world's least developed countries.

## Committee on Budgetary Control

Its donors are the European Union, France, Germany, the Netherlands, Italy and Switzerland, who have provided a total of 146 million euro to support the country's exit from crisis and its reconstruction.

This performance audit examined the European Commission's first experience with using its own trust fund as an aid vehicle. The Court assessed whether the establishment of the fund had been justified, how well it was being managed and whether it had achieved its objectives to date. The audit focused on the fund from its inception in 2014 to the end of 2016.

As a follow-up, a working document will be circulated to all CONT MEPs. The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2017.

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

**WEDNESDAY, 11 OCTOBER 2017**

14.30 - 15.00

**PUBLIC MEETING**

## 9. CONT MISSION TO FINLAND (30 OCTOBER - 1 NOVEMBER 2017)

CONT/8/11230

### Exchange of views in preparation for the committee mission



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

Administrators: Michal Czaplicki

The Budgetary Control Committee decided to organise a visit to Finland from 30 October till 1 November 2017. This will be the first visit of the Committee to this Member State. The aim of the visit is to verify whether Finland is one of the best examples of corruption fighting in the EU. The Committee would also like to see how EU funds are spent in remote regions on the example of Lapland. Meetings with national parliamentary homologues and Finnish National State Audit

Office are included in the program. A roundtable on corruption with representatives of different civil society organisations will be held in the premises of the EP office in Helsinki. In Lapland, the delegation will focus on the concepts of Arctic Smartness, Arctic Circular Economy and Arctic tourism, their implementation in practice and the efficiency of usage of EU funds.

As it is already a common practice, a Member of the European Court of Auditors will accompany the CONT delegation.

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

WEDNESDAY, 11 OCTOBER 2017

15.00 - 17.00

PUBLIC MEETING

## 10. 2016 DISCHARGE : EU GENERAL BUDGET - COMMISSION

CONT/8/10601



**Exchange of views with the EU Commissioner responsible for Budget and Human Resources, Günther Oettinger, and presentation of the following documents:**

- *the follow-up to the discharge for the 2015 financial year (COM(2017) 379 final); the CONT secretariat has not yet received the staff working document*
- *the 2016 Annual Management and Performance Report for the EU Budget (COM(2017) 351 final);*
- *the Annual Report to the Discharge Authority on internal audits carried out in 2016 (Article 99(5) of the Financial Regulation), (COM(2017) 497 final);*

**in the presence of Manfred Kraff, Director-General of the European Commission's Internal Audit Service, and Jan Gregor and Mihails Kozlovs, Members of the European Court of Auditors**

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

Administrators: Christian Ehlers and Philippe Godts

Shadow Rapporteurs: Inés Ayala Sender (S&D), Martina Dlabajova (ALDE), Luke Ming Flanagan (GUE/NGL), Indrek Tarand (Greens/EFA), Marco Valli (EFDD), Jean-François Jalkh (ENF)

The Communication of the Commission on the follow-up to the discharge for the 2015 financial year explains the measures taken by the Commission in light of Parliament's resolution. At the time of writing only the summary report, but not the staff working document was available.

Additional documents will be circulated to Members as soon as possible.

The 2016 Annual Management and Performance Report for the EU Budget, drafted pursuant to Article 318 of the Treaty on the Functioning of the European Union and in accordance with the Article 66 (9) of the Financial Regulation, depicts in section one performance and results, and in section two internal control, and financial management achievements; the chapter on the protection of the EU budget can be found in the annex.

## Committee on Budgetary Control

Bringing together information on the performance and management of the EU budget, the Annual Management and Performance Report endeavours to provide a comprehensive overview of how the EU budget supports the Union's political priorities.

The Annual Report to the Discharge Authority on internal audits, carried out in 2016, is based on the audit and consulting work by the Internal Audit Services in 2016 in the Commission Directorates-General and executive agencies. It includes information on significant risk exposure, control issues and governance aspects.

All three documents are available on the [committee website](#).

The discussion could be organised in the following way:

- Commissioner Oettinger could introduce the follow-up to Parliament's 2015 Commission discharge and the Annual Management and Performance Report, followed by a statement from the Court;
- the rapporteur replies before the floor is given to other CONT Members;
- in a second round the Commission Internal Auditor could present the Annual Report to the Discharge Authority on internal audits carried out in 2016 (Article 99(5) of the Financial Regulation),
- the floor is given to other CONT Members;
- replies by the Commissioner and the Internal Auditor;
- closing remarks by the rapporteur.

### CONT Timetable:

Event	Body	Date
Consideration of draft report	CONT	19 February 2018
Deadline for amendments	CONT	1 March 2018
Adoption in CONT	CONT	19 March 2018
Adoption in Plenary	Plenary	April 2018

**WEDNESDAY, 11 OCTOBER 2017**

**17.00 - 18.30**

**PUBLIC MEETING**

## 11. FOLLOW-UP ON THE 2015 DISCHARGE TO THE EUROPEAN PARLIAMENT

CONT/8/11241

**Exchange of views with the Secretary-General of the European Parliament, *Klaus Welle***



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

In accordance with the resolution of 27 April 2017 accompanying the decision on discharge for the financial year 2015, the Secretary General will briefly summarise the replies and follow-up of the EP administration to the various questions and requests of the 2015 EP discharge resolution before proceeding to an exchange of views.



## Committee on Budgetary Control

The Secretary General's written replies have been made available prior to the Committee meeting. They were sent to Members by email on 4 October 2017 and have also been published on the [Committee website](#). It is proposed that the discussion is structured following this order of interventions:

- brief presentation by the Secretary General on the replies and follow up of the administration;
- statement and oral questions by the Rapporteur;
- reply by the Secretary General to the Rapporteur;
- questions by other Members;
- replies by the Secretary General and closing remarks by the Rapporteur.

**THURSDAY, 12 OCTOBER 2017**

09.00 - 12.30

**PUBLIC MEETING**

## 12. DISCHARGE 2016: EU GENERAL BUDGET - EUROPEAN COMMISSION

CONT/8/10601



**Exchange of views with Commissioner Neven Mimica in the presence of the Member of the European Court of Auditors responsible, Ville Itälä**

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

Administrators: Philippe Godts and Christian Ehlers

Shadow Rapporteurs: Inés Ayala Sender (S&D), Martina Dlabajova (ALDE), Luke Ming Flanagan (GUE/NGL), Indrek Tarand (Greens/EFA), Marco Valli (EFDD), Jean-François Jalkh (ENF)

The "Global Europe" transactions subject to audit by the ECA in 2016 represent EUR 10.3 billion: Development Cooperation Instrument: 2.8, European Neighbourhood Instrument: 2.2, Humanitarian aid: 1.9, instrument for Pre accession Assistance: 1.9, other actions and programmes: 1.5.

According to the findings of the ECA the most likely error rate is 2.1%. When excluding the budget support and notional approach transactions, the estimated level of errors is 2.8 %.

The documents of particular relevance for the exchange of views as regards the 2016 Commission discharge are:

- The ECA's 2016 Annual Report, Chapters 1, 2 and 9;
- The Commission's follow-up report COM (2017) 379 final;
- 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 2 October 2017 and e-mailed to Members on the same day. Questions concern in particular financial aspects of the following issues: budget support, refugees in third countries, enlargement and neighbourhood policies,

External Assistance Management Reports, root causes of migration, blending and trust funds. The Secretariat received the answers from the Commission on 9 October 2017 and emailed them to Members, They are available on the [CONT website](#).

It is proposed that today's hearing with the Commissioner 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 2016;
- Commissioner in charge will reply to this introduction;
- 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	19 February 2018
Deadline for amendments	CONT	1 March 2018
Adoption in CONT	CONT	19 March 2018
Adoption in Plenary	Plenary	April 2018

## 13. DISCHARGE 2016: EU GENERAL BUDGET - 8TH, 9TH, 10TH AND 11TH EDFs

CONT/8/10769



### Exchange of views with the Member of the European Commission responsible for International Cooperation and Development, Neven Mimica

Rapporteur: [Barbara Kappel](#) (ENF)

Administrator: Olivier Sautière

Shadow Rapporteurs: Tomáš Zdechovský (EPP), Iris Hoffmann (S&D), Gerben-Jan Gerbrandy (ALDE), Younous Omarjee (GUE/NGL), Indrek Tarand (Greens/EFA), Marco Valli (EFDD)

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 2016 EDF discharge to the rapporteur by 28 September 2017.

In accordance with the timetable for the 2016 discharge procedure, the written questions for this item were sent to the European Commission on 2 October 2017 and e-mailed to Members the same day.

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 webpage](#).

## 14. DISCHARGE 2016: EU GENERAL BUDGET - 8TH, 9TH, 10TH AND 11TH EDFs

CONT/8/10769



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

Rapporteur: [Barbara Kappel](#) (ENF)  
Administrator: Olivier Sautière

Shadow Rapporteurs: Tomáš Zdechovský (EPP), Iris Hoffmann (S&D), Gerben-Jan Gerbrandy (ALDE), Younous Omarjee (GUE/NGL), Indrek Tarand (Greens/EFA), Marco Valli (EFDD)

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 2016 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 28/09/2017.

The written questions received were sent to EIB on 02/10/2017 and e-mailed to Members the same day.

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 webpage](#).

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	19 February 2018
Deadline for amendments	CONT	1 March 2018
Adoption in CONT	CONT	19 March 2018
Adoption in Plenary	Plenary	April 2018

## Short presentation of the recently published ECA Special Report:

### 15. ECA SPECIAL REPORT 12/2017 (DISCHARGE 2016): IMPLEMENTING THE DRINKING WATER DIRECTIVE: WATER QUALITY AND ACCESS TO IT IMPROVED IN BULGARIA, HUNGARY AND ROMANIA, BUT INVESTMENT NEEDS REMAIN SUBSTANTIAL

CONT/8/11204



#### Presentation of the Special Report by the Member of the European Court of Auditors responsible, *George Pufan*

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

Administrators: Michal Czaplicki

Shadow Rapporteurs: Karin Kadenbach (S&D), Luke Ming Flanagan (GUE/NGL)

The ECA examined whether EU actions improved the quality of drinking water in Bulgaria, Hungary and Romania as required by the 1998 Drinking Water Directive. Overall, the ECA concluded that the situation has improved significantly. Nevertheless, there are still areas where citizens are supplied with water from the public supply network that is not fully in compliance with EU standards. Moreover, significant further national public and private funding will be needed to ensure access to good quality water to all citizens in these Member States and to ensure that EU-funded investments in water facilities can be adequately maintained. Among other things, the ECA recommends that several remaining issues are addressed in the context of the current revision of the Drinking Water Directive and that the sustainability of water infrastructure is ensured while safeguarding the affordability of the service.

As a follow-up, a working document will be circulated to all CONT MEPs. The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2017.

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

## 16. ANY OTHER BUSINESS

## 17. NEXT MEETINGS

- 19 October 2017, 09.00 - 12.30 (Brussels)
- 26 October 2017, 09.00 - 12.00 (Strasbourg)

# CONT



## Committee on Budgetary Control

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

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