



ISSUE N° 1

THURSDAY, 11 JANUARY 2018

15.00 - 18.30

Room: Paul-Henri Spaak (4B001)

1. ADOPTION OF THE AGENDA

The draft agenda was emailed to Members on 20 December 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, and SV.

Joint debate with LIBE on the European Public Prosecutor's Office (item 9 of the draft agenda)

This exchange of views will be held in [LIBE meeting room - JAN 202](#)

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.

Adoption of Coordinators' recommendations

The summary of coordinators' recommendations from the last CONT coordinators' meeting that took place on 7 December 2017 was circulated to the Members on 14 December 2017.

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

THURSDAY, 11 JANUARY 2018

15.00 - 16.30

PUBLIC MEETING

3.-4. PARTIAL RENEWAL OF MEMBERS OF THE COURT OF AUDITORS

CONT/8/11561 - 11546



Hearing of candidates

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

Administrator: Olivier Sautière

Shadow Rapporteurs: Inés Ayala Sender (S&D), Luke Ming Flanagan (GUE/NGL)

The Chair reminds the Members to bring their electronic voting card, as there will be an electronic vote at the end of this session.

15h00 - 15h45

Hearing of Tony James Murphy

Candidate nominated by Ireland (1st appointment)

15h45 - 16h30

Hearing of Eva Lindström

Candidate nominated by Sweden (1st appointment)

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.

The following candidates have been proposed by the Member States:

- **Tony James Murphy**, candidate nominated by Ireland
- **Eva Lindström**, candidate nominated by Sweden

Appointments to the ECA are submitted to Parliament's plenary on the basis of a report from CONT, which takes into account the primary law requirement of 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.*", as well as other considerations.

Committee on Budgetary Control

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.

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 by secret ballot on the appointment of the candidate in question.

Evaluation, votes and adoption of draft report **will be in camera**.

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;
- b) the report shall consist of:
 - i. citations summarising the circumstances of the referral to Parliament;
 - ii. recitals outlining the procedure before 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.

The rules on procedure **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 reports were circulated to Members on 5 December 2017 and are available on the [CONT website](#).

CONT Timetable:

Event	Body	Date
Adoption in Plenary	Plenary	17 January 2018

¹ Parliament's resolution of 4 February 2014

Committee on Budgetary Control

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16.30 - 16.45

IN CAMERA

5. EVALUATION, VOTES AND ADOPTION OF DRAFT REPORTS (*IN CAMERA*)

THURSDAY, 11 JANUARY 2018

16.45 - 18.30

PUBLIC MEETING

6. EVALUATION OF THE FUNDING PROGRAMS FOR THE OUTERMOST REGIONS, IN PARTICULAR GUYANA, AND THE NEW EUROPEAN STRATEGY IN FAVOUR OF THE OUTERMOST REGIONS

CONT/8/11684



Exchange of views with Commission representatives

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

Administrator: Olivier Sautière

Article 349 TFEU acknowledges the special characteristics of the outermost regions and affords them a special status. The nine outermost regions are the Azores, the Canary Islands, Guadeloupe, Guyana, Madeira, Martinique, Mayotte, Reunion and Saint Martin.

Between 2014 and 2020 the European Structural and Investment Funds and a dedicated scheme on agricultural measures (the POSEI Regulation) provided almost EUR 13.3 billion to the outermost regions, including two specific allocations in the fields of regional development and fisheries to compensate for the additional costs faced by these regions because of their particular situation. Furthermore, specific rules apply to the outermost regions in areas such as State aid, with regard to operating and investments aids, as well as in taxation and customs, to help boost their competitiveness. The main objectives were to develop infrastructure, provide services for the population, create jobs, invest in education and skills and increase businesses' competitiveness as well as diversifying agricultural activities, preserving the environment and addressing climate change.

Despite this significant EU funding over the years, the outermost regions continue to face serious challenges and most of them still need investment in basic infrastructure (such as roads, water and waste management facilities). Their economy depends on a limited number of economic sectors with constraints related to their remoteness entailing additional costs for their companies while impeding their full participation in the single market.

On 24 October 2017, the Commission presented its new strategy '*a stronger and renewed strategic partnership with the EU's outermost regions*' in order to tackle persistent challenges, such as high unemployment rates, particularly among young people, greater vulnerability to the effects of climate change and a dependence on economic sectors which have not incorporated innovative processes. The renewed strategy will seek to shape policies in order to better reflect these regions' realities and interests (particularly when negotiating trade or fisheries agreements). It will create a platform for dialogue bringing together these regions and their Member States, the European institutions and private stakeholders in order to make the best use of European funds.

This exchange of views will focus on the outcomes achieved by the funding programs and the difficulties encountered by the outermost regions in their implementation, particularly in Guyana, and on the renewed European strategy in favour of these outermost regions.

The Commission's new strategy is available on the [CONT website](#).

Short presentation of the recently published ECA Special Reports:

7. ECA SPECIAL REPORT 23/2017 (2017 DISCHARGE): SINGLE RESOLUTION BOARD: WORK ON A CHALLENGING BANKING UNION TASK STARTED, BUT STILL A LONG WAY TO GO

CONT/8/11846



Short presentation of the Special Report by the Member of the European Court of Auditors responsible, Kevin Cardiff

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

Administrator: Hrvoje Svetic

Shadow Rapporteurs: Luke Ming Flanagan (GUE/NGL)

To prevent a recurrence of the 2008 financial crisis in Europe, the EU has developed new institutional structures to ensure a safer financial sector for the single market. These include the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM). The European Court of Auditor's (ECA) report focuses on the Single Resolution Board (SRB), which, together with national resolution authorities (NRAs) within the euro area, form the SRM.

Set up only in 2015, the SRB is still essentially in the 'start-up' phase, and has been required to take on very considerable responsibilities in a very short time span. The work of the SRB is guided by the 'Single Rulebook' of harmonised legislation and guidelines on the resolution and supervision of banks.

The SRB's work should be seen as part of a system that involves supervisors (such as the ECB) and regulatory bodies (such as the European Banking Authority). Supervisors are in charge of the permanent prudential supervision of banks within their remit. If recovery or intervention measures are not effective, a bank is assessed as "failing or likely to fail" and the resolution authorities step in. The SRB, with the assistance of national resolution authorities, is responsible for contingency planning for the resolution of banks within its remit, and for managing bank resolution procedures as necessary and appropriate. Its remit extends to all significant banks and cross-border less significant banks in the euro area.

Committee on Budgetary Control

During its audit, the ECA found that the task of setting up the SRB from scratch in a very short timeframe has posed a very significant challenge. Shortcomings which need to be addressed were identified in the SRB's preparation of resolution plans. However, these weaknesses should be seen in the start-up context of the SRB. Additional issues were identified by the ECA, in particular with regard to difficulties in recruiting sufficient staff with the appropriate skills as well as unclear distribution of operational tasks and the division of responsibilities between national authorities and the SRB.

The ECA recommends that the SRB should:

- complete its resolution planning for the banks under its remit;
- finalise its system of rules for resolution planning;
- accelerate its recruitment efforts and staff the HR function appropriately to cope with the demands of recruitment;
- clarify the operational distribution of tasks and responsibilities with NRAs;
- ensure that internal resolution teams are adequately staffed, including by urging NRAs to assign additional staff where appropriate;
- regularly conduct dry-runs of a bank resolution with full involvement of NRAs ;
- engage with the ECB with a view to adjusting the Memorandum of understanding to ensure that it receives all information necessary to its resolution function;
- invite the legislator to adjust the relevant regulations in order to align the mandates of supervisor and resolution authority regarding cross-border less significant banks or otherwise to ensure a full information flow to the SRB;
- invite the legislator to make the flow of information from the supervisor, on banks at risk and other ongoing developments affecting the SRB's remit, more automatic than at present;
- invite the legislator to consider also making the moratorium tool available to the SRB.

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

As a follow-up, a succinct working document with the recommendations of the rapporteur will be sent to CONT Members.

The rapporteur's conclusion will form part of the Commission's 2017 discharge report.

Joint item with the Committee on budgets (BUDG)

8. FINANCIAL RULES APPLICABLE TO THE GENERAL BUDGET OF THE UNION

CJ13/8/09028

Report back to Committee on trilogues according to rule 69f



Co-Rapporteurs: [Richard Ashworth](#) (ECR) and [Inge Gräßle](#) (EPP)
Administrators: Alix Delasnerie (BUDG), Jeremie Requis (BUDG),
Philippe Godts (CONT)

BUDG and CONT co –rapporteurs will report on the main conclusions of the trilogue meeting held on 11 December 2017.

MOVE TO LIBE MEETING ROOM - JÓZSEF ANTALL (JAN) 2Q2

Joint item with the Committee on Civil Liberties, Justice and Home Affairs (LIBE)

9. ESTABLISHMENT OF THE EPPO - CURRENT STATE OF PLAY AND FURTHER TIMING

CONT/8/11891

Exchange of views with Council and Commission representatives

On 12 October 2017, the regulation establishing the European Public Prosecutor's Office (EPPO) was adopted by those Member States which are part of the EPPO enhanced cooperation. The EPPO will be in charge of investigating, prosecuting and bringing to justice the perpetrators of offences against the Union's financial interests. It will bring together European and national law-enforcement efforts to counter EU fraud. EPPO will become operational, at the earliest, three years after the regulation entered into force.

Against this backdrop, it appears to be the appropriate moment to reflect on the future functioning of the EPPO and its cooperation with the European Anti-Fraud office (OLAF). Both bodies will have exclusive competences but will also depend on an efficient and effective cooperation between them.

On this occasion CONT and LIBE, in a joint meeting, will hear experts from the services involved in setting up the EPPO and putting in place an effective cooperation with OLAF.

10. ANY OTHER BUSINESS

11. NEXT MEETINGS

- 18 January 2018, 09.00 to 11.30 (Strasbourg)
- 22 January 2018, 15.00 to 18.30 (Brussels)
- 23 January 2018, 09.00 - 12.30 and 14.30 to 18.30 (Brussels)
- 29 January 2018, 15.00 - 18.30 (Brussels)

FORTHCOMING EVENTS

ANNUAL MEETING BETWEEN CONT COMMITTEE AND ECA MEMBERS

Coordinators have decided to invite the **Court of Auditors** to the European Parliament's premises in **Brussels to a CONT meeting on 1st February 2018 from 11:00 to 13:00 - Room TBC**

EUROPEAN PARLIAMENTARY WEEK - BUDG/ECON/EMPL

19 February 2018 - Discussion on **Post-2020 MFF** and **Own Resources - Hemicycle**

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

NEWS FROM POLICY DEPARTMENT - BUDGETARY AFFAIRS

FORTHCOMING EVENTS



CONT Workshop on "Investments in the EU: where are we? European Fund for Strategic Investments, European Structural Investment Funds and Financial Investments" - **23 January 2018** - **10h30-12h30 - PHS5B001**

BUDG Workshop on "A fiscal capacity to strengthen and enlarge the euro area" - **21 or 22 March 2018 - TBC**

CONT Workshop on "How to better combat the fraud? Follow up of the Commission's anti-corruption sharing programme" - **May 2018 - Room TBC**

POLICY DEPARTMENT PUBLICATIONS

Recent publications

BUDG

- Briefing - [Other Revenue in the European Union Budget](#)
- Briefing - [Assigned Revenue in the Budget of the European Parliament](#)
- Briefing - [Assigned Revenue in the European Union Budget](#)
- Briefing - [Resources for the funding of the Research Fund for Coal and Steel](#)

CONT

- Study - [Transitional Allowances for former EU office holders - too few conditions?](#)

Forthcoming publications:

CONT

- Study "10 years cooperation and verification Mechanism (Bulgaria and Romania) - Analyse of the Reports: evaluation and achievements" - **Study Presentation 29 January 2018 PM - JAN4Q1**

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