

WEDNESDAY, 25 APRIL 2018

09.00 - 12.30 and 15.00 - 18.30

Room: Altiero Spinelli (3G-3)

## 1. ADOPTION OF THE AGENDA

The draft agenda was e-mailed to Members on 20 April 2018 and is in the [file for the meeting](#).

Corrigendum: in the previous version of CONT News circulated, the agenda items 4 and 5 were in the wrong order, the correct order is: Item 4: Albania, Item 5: Labour mobility.

The following changes in schedule were made to the agenda of 25 April PM:

- |             |  |
|-------------|--|
| 15.00-16.00 | Item 16 - <b>Coordinators' meeting</b> ( <i>instead of 17.30-18.30</i> )   |
| 17.15-17.45 | Item 9 - Consideration of draft opinion to REGI on <b>The impact of EU cohesion policy on Northern Ireland</b> , Rapporteur: Vaughan ( <i>instead of 15.00-15.30</i> )   |
| 17.45-18.30 | Item 10 - Presentation of <b>ECA Briefing Paper: A contribution to simplification of EU research programme beyond Horizon 2020</b> , ECA member: Brenninkmeijer, CONT rapporteur: Dlabajova (ALDE) ( <i>instead of 15.30-16.00</i> ) |

All other items and their provisional timing remain unchanged.

## 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, and RO.

### Webstreaming

The CONT meeting is webstreamed on the [Europarl website](#).

Please be aware that each time a speaker activates the microphone to make an intervention, the camera will be automatically directed to the speaker.

**WEDNESDAY, 25 APRIL 2018**

**09.00 - 11.30**

**PUBLIC MEETING**

**\*\*\* ELECTRONIC VOTING \*\*\***

### **3. THE SITUATION IN HUNGARY (PURSUANT TO THE EUROPEAN PARLIAMENT RESOLUTION OF 17 MAY 2017)**

CONT/8/11653



#### **Adoption of draft opinion**

Rapporteur: [Ingeborg Gräßle](#) (EPP)  
Administrators: Michał Czaplicki  
Main Committee: LIBE

Shadow Rapporteurs: Cătălin Sorin Ivan (S&D), Nedzhmi Ali (ALDE), Denis de Jong (GUE/NGL)

The LIBE Committee is drafting a resolution on the situation in Hungary on the basis of Rule 45, 52 and RoP. As CONT has organised a delegation to Hungary in September 2017, which was followed by discussions on various EU funded projects based on the investigations of OLAF and problems highlighted by the European Commission, the committee decided to draft an opinion to this resolution and nominated Ms Gräßle as the rapporteur. The draft opinion was discussed in CONT on 27 March 2018.

The draft opinion highlights the number of investigations carried out by the European Anti-Fraud Office (OLAF) between 2013 and 2016 in relation to Hungary (41 cases), which is the second highest in the Union. Additionally, 85% of the investigations were concluded with judicial and financial recommendations. The rapporteur believes that the current level of corruption, and the lack of transparency and accountability on public finances, affects Union funds in Hungary. She considers that this might represent a breach of values referred to in Article 2 of the Treaty on European Union (TEU) and warrants the launch of the procedure under Article 7(1) TEU. The rapporteur further notes with concern that the share of contracts awarded after public procurement procedures that received only a single bid remains very high (36%), which is the second highest number in the Union.

There were 38 amendments received by the deadline of 5 April 2018. The draft opinion and the amendments are available in all languages on the [CONT website](#).

The final voting list was sent to the Members on 23 April 2018.

#### **CONT Timetable:**

| Event               | Body    | Date                 |
|---------------------|---------|----------------------|
| Adoption in LIBE    | LIBE    | June 2018 (TBC)      |
| Adoption in Plenary | Plenary | September 2018 (TBC) |

**\*\*\* END OF ELECTRONIC VOTING \*\*\***

### 4. CONT MISSION TO ALBANIA (7-9 MAY 2018)

CONT/8/12806



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

Rapporteur: [Derek Vaughan](#) (S&D)

Administrator: Michal Czaplicki

The Committee decided to initially send a delegation to Albania and the Former Yugoslav Republic of Macedonia (FYROM). However, the coordinators, on 20 April 2018, decided to reduce the scope of the mission to Albania only in order to reduce the travel time between the two countries. The draft program of the mission has been adopted accordingly.

The mission will take place from 7 to 9 May 2018. The objective of the mission is to scrutinize the management of EU funds. In contrast to the stagnation of the accession negotiations with other candidate countries in the Western Balkans, the accession negotiations with Albania have just been launched.

The exchange of views will take place in the presence of representatives from the Commission services involved.

Members will find the latest version of the draft programme on the [CONT website](#).

### 5. ECA SPECIAL REPORT 06/2018 (2017 DISCHARGE): FREE MOVEMENT OF WORKERS – THE FUNDAMENTAL FREEDOM ENSURED BUT BETTER TARGETING OF EU FUNDS WOULD AID WORKER MOBILITY

CONT/8/12352



#### Short Presentation the Special Report by the ECA member responsible, *George Pufan*

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

Administrator: Tereza Pinto De Rezende

Shadow Rapporteurs: José Ignacio Salafranca Sánchez-Neyra (EPP), Martina Dlabajová (ALDE), Luke Ming Flanagan (GUE/NGL)

The free movement of workers is one of the four fundamental freedoms of the Union. This year it celebrates its 50<sup>th</sup> anniversary. The Court of Auditors decided to assess how the Commission ensures that freedom and the effectiveness of EU actions are facilitating labour mobility.

The Commission and five Member States with the largest inflows of non-national workers and the largest outflows of workers to other countries were audited (Germany, Luxembourg, Poland, Romania and the United Kingdom).

The Court found that there is room for improvement in the way the Commission informs EU workers about their rights. The obstacles to moving and working in another country still remain despite actions to address those obstacles. Member States operate at different levels with regards to data on skills and labour imbalances. The extent to which the European

Social Fund (ESF) is used to support labour mobility is unknown and its complementarity with the Employment and Social Innovation (EaSI) programme is still a challenge. Finally, the European Network of Social Services (EURES) continues facing challenges related to staffing, information in the portal, measuring and monitoring the placement of job seekers.

The Court recommends that the Commission and the Member States address those shortcomings in a way that the EU funding allocated to labour mobility offers true value for money.

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 discharge report.

## 6. EXCHANGE OF VIEWS WITH THE UKRAINIAN MINISTER OF FINANCE

CONT/8/12807

### Exchange of views with *Oleksandr Danylyuk*, Ukrainian Minister of Finance

In May 2016 the Committee organised a mission to Ukraine. The aim of the mission was to verify:

- how EU money has been spent and what added value it brought;
- if the EU expertise helped tame corruption and brought the spill over effect of EU standards to Ukraine;
- if the EU financial aid in its direct neighbourhood helped stabilising the country;
- if the Eastern Partnership project improved the quality of the civil service in Ukraine.

In the mission report, the Budgetary Control Committee stated that:

- despite progress achieved since 2014, several long-term issues remain: the risk of backsliding, for example, in public procurement exemptions and budgetary transparency;
- overall, as stated by the ECA in its special report on Ukraine, (32/2016) EU assistance to Ukraine has been partially effective in supporting the transformation of the country into a well-governed state in the area of public finance management and the fight against corruption. The assistance was also only partially effective in producing tangible and sustainable results; the Commission, however, believes that even though the EU assistance was partially effective, important structural reforms in nearly all areas covered by the audit have been triggered or supported by EU programmes;

As a follow-up to this mission, the Committee is meeting with the Ukrainian Minister of Finance Mr Oleksandr Danyliuk, his curriculum vitae is available on the [CONT website](#).

Mr Danyliuk contributed to the anti-corruption agenda of the government, in particular, by drafting and pushing forward the bills to set up the National Anti-Corruption Bureau, the National Agency for Prevention of Corruption and introduction of e-declarations to be filled in by Ukrainian officials. He launched reform of the State Fiscal Service and customs service to eliminate inefficiencies and corruption in these agencies, which also simplifies tax administration and improves business climate. He made VAT administration transparent, in particular, by launching transparent online VAT-refund register which includes automatic risk system which blocks potentially fake VAT refund requests and prevents embezzlement of state budget funds. The Minister also introduced three-year budget planning which makes budget policy more predictable, better planned and more effective.

## 7. ECA SPECIAL REPORT 07/2018 (2017 DISCHARGE): EU PRE-ACCESSION ASSISTANCE TO TURKEY: ONLY LIMITED RESULTS SO FAR

CONT/8/12451



**Short Presentation of the Special Report by the ECA Member responsible,  
*Bettina Jakobsen***

Rapporteur: [Claudia Schmidt](#) (EPP)  
Administrator: Michal Czaplicki

Shadow Rapporteurs: Nedzhmi Ali (ALDE), Denis de Jong (GUE/NGL)

EU financial assistance planned for Turkey from 2007 until 2020 through the Instrument for Pre-accession Assistance (IPA) amounts to over 9 billion euros. The ECA objective was to assess the design and effectiveness of the IPA to Turkey, the purpose of which is to align the candidate country with the EU acquis and strengthen its administrative capacity.

The ECA concluded that the IPA objectives were well designed by the Commission, in particular because it properly identified the requirements necessary to progress towards EU accession and made conclusive sector approach assessments. In practice, however, the IPA funds spent insufficiently addressed some fundamental needs in the rule of law and governance sectors, where some critical reforms are overdue. In areas where there was more political will, such as customs, employment and taxation, IPA I projects have contributed to aligning Turkey with the acquis and strengthening its administrative capacity. However, the sustainability of these results is at risk because of the difficulties in spending the available IPA funds and backsliding on reforms. The ECA therefore considers that the IPA's effectiveness was only limited.

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 discharge report.

**WEDNESDAY, 25 APRIL 2018**

**11.30 - 12.30**

**IN CAMERA**

## 8. NEW PERSPECTIVES OF MANAGING THE AGRICULTURAL EXPENDITURES

CONT/8/12808

**Exchange of views with Jerzy Bogdan Plewa, Director General of the DG AGRI**

CONT members will have the opportunity to exchange views with the Director General of the European Commission DG AGRI as to new approaches of financial management of the future CAP and in particular as to the delivery model(s)

**WEDNESDAY, 25 APRIL 2018**

**15.00 - 16.00**

**IN CAMERA**

## 16. COORDINATORS MEETING



**Meeting held in Camera**

**WEDNESDAY, 25 APRIL 2018**

**16.00 - 18.30**

**PUBLIC MEETING**

## 11. GENERAL BUDGET OF THE EUROPEAN UNION FOR THE FINANCIAL YEAR 2019 - ALL SECTIONS

CONT/8/12648



### **Exchange of views with BUDG rapporteur for Budget 2019, [Daniele Viotti](#)**

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

On 25 April CONT will have the opportunity to debate with the General Rapporteur, Mr Viotti, on its main concerns as expressed in the last resolutions on the discharge for 2016 and in the framework of the Guidelines for the budget 2019 adopted by the plenary on 9 March 2018. The European Parliament stated in particular that the 2019 EU budget should reinforce all the relevant instruments for tackling youth unemployment, especially in EU regions that are lagging economically, paying particular attention to the improvement of entrepreneurial and professional skills and mobility, recognition of qualifications at all levels of education and vocational training, and support to growth, competitiveness, job creation, investments in infrastructure, innovation, research and SMEs; stresses that youth unemployment, which has a high social impact, is one of the greatest challenges at European level.



## 12. ECA SPECIAL REPORT 09/2018 (2017 DISCHARGE): PUBLIC PRIVATE PARTNERSHIPS IN THE EU: WIDESPREAD SHORTCOMINGS AND LIMITED BENEFITS

CONT/8/12584



**Short presentation of the Special Report by the ECA Member responsible, Oskar Herics**

Rapporteur: [Bogusław Liberadzki](#) (S&D)

Administrator: Michał Czaplicki

Shadow Rapporteurs: Martina Dlabajová (ALDE), Miguel Viegas (GUE/NGL)

Although the Commission's policy has been encouraging the use of Public Private Partnerships (PPPs) for some years (e.g. the Europe 2020 strategy) as a potentially effective means of delivering projects, during the 2000-2014 period just 84 PPPs, with a total project cost of 29.2 billion euro, received 5.6 billion euro in funding from the EU. Structural and Cohesion Fund grants were the main EU source of funding, followed by financial instruments - often in cooperation with the European Investment Bank (EIB).

The ECA examined 12 EU co-financed PPPs in France, Greece, Ireland and Spain in the fields of road transport and Information and Communication Technology (ICT). The visited Member States account for around 70 % of the total project cost (29.2 billion euro) of EU-supported PPPs. The ECA assessed whether the audited projects were able to exploit the benefits PPPs and were expected to deliver, whether they were based on sound analyses and suitable approaches and whether the overall institutional and legal frameworks within the visited Member States were adequate for the successful implementation of PPPs.

The ECA concluded that:

- PPPs allowed public authorities to procure large-scale infrastructures through a single procedure, but they increased the risk of insufficient competition and thus putting contracting authorities in a weaker negotiating position;
- procuring PPPs typically requires negotiating on aspects that are usually not part of traditional procurement and therefore takes up more time than traditional projects. One third of the 12 audited projects were, with their procurement duration of 5-6.5 years, affected by considerable delays;
- similarly to traditional projects, also the majority of the audited PPPs were subject to considerable inefficiencies in the form of delays during construction and major cost increases;
- the large scope, the high cost and the long duration of typical infrastructure PPPs require particular diligence;
- for most of the audited projects, the PPP option was chosen without any prior comparative analysis of alternative options, such as Public Sector Comparator, thus failing to demonstrate that it was the one maximising value-for-money and protecting the public interest by ensuring a level playing field between PPPs and a traditional procurement;
- the risk allocation between public and private partners was often inappropriate, incoherent and ineffective, while high remuneration rates (up to 14 %) on the private partner's risk capital did not always reflect the risks borne.

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

As a follow-up, a succinct working document with the recommendations from the rapporteur will be sent to CONT Members. The rapporteur's conclusion will form part of the Commission's discharge report.

### 13. ECA SPECIAL REPORT 05/2018 (2017 DISCHARGE): RENEWABLE ENERGY FOR SUSTAINABLE RURAL DEVELOPMENT: SIGNIFICANT POTENTIAL SYNERGIES, BUT MOSTLY UNREALISED

CONT/8/12369



#### Exchange of views on the Special Report in the presence of the ECA Member responsible, *Samo Jereb*

Rapporteur: [Karin Kadenbach](#) (S&D)  
Administrator: Philippe Godts

Shadow Rapporteurs: Tomáš Zdechovský (EPP), Nedzhmi Ali (ALDE), Luke Ming Flanagan (GUE/NGL)

Using more renewable energy is crucial if the EU is to reduce its greenhouse gas emissions in order to comply with the 2015 Paris Agreement on Climate Change. Increasing the use of renewable energy could also reduce the EU's dependence on fossil fuels and imported energy, thus contributing to the security of its energy supply. Several EU and national funding programmes are available to incentivise the production and use of renewable energy, one source of the EU funds being the European Agricultural Fund for Rural Development (EAFRD).

The audit of the European Court of Auditors examined the link between renewable energy and rural development. The Court assessed whether the EU policy framework used to spend funds earmarked for rural development had been designed and implemented in a way that facilitated both renewable energy deployment and sustainable rural development.

The Court concludes that there are potential synergies between renewable energy policy and EAFRD with a view to facilitate sustainable rural development but, as yet, these synergies remain mostly unrealised.

Neither the current nor the proposed sustainability framework for bioenergy (referring to the production and use of biomass) provide an adequate basis for protecting rural areas sufficiently against identified environmental and socio-economic risks nor for maximising their potential for further sustainable development.

The specific funding available for rural development can play a role in achieving the EU and national renewable energy targets, but this should be complementary to the sustainable development of the EU's rural areas. However, the Commission has not provided sufficient clarification or guidance in this regard nor how the EAFRD should complement the existing EU and national funding schemes. Furthermore, the Commission has no comprehensive information on the EAFRD expenditure for renewable energy in the 2007-2013 rural programming period, and how it fits into the overall EU spend on renewable energy. The Court considered most of the projects visited successful, because of their positive economic and environmental impact on rural development. However, weaknesses in the Member States' selection procedures also resulted in the funding of projects that had an economic benefit for the project owners, but had little further impact on rural areas.

On the basis of these findings, the Court makes several recommendations that will be discussed during CONT meeting.

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

A working document with the recommendations from the rapporteur will be circulated soon. The rapporteur's conclusion will form part of the Commission's discharge report.



### 9. THE IMPACT OF EU COHESION POLICY ON NORTHERN IRELAND

CONT/8/11296



#### Consideration of draft opinion

Rapporteur: [Derek Vaughan](#) (S&D)

Administrator: Christian Ehlers

Main Committee: REGI

Shadow Rapporteurs: Brian Hayes (EPP), Luke Ming Flanagan (GUE/NGL)

The rapporteur, who participated at a recent fact-finding mission to Northern Ireland in March, arrived at the conclusion that it would be in the interest of the United Kingdom and European Union to continue financing the Northern Ireland Peace Programme and the "INTERREG V-A programme Northern Ireland-Ireland and Scotland" with the view to supporting a peaceful and prosperous development of these regions in question. The draft opinion is available on the [CONT website](#).

#### CONT Timetable:

| Event                     | Body    | Date                |
|---------------------------|---------|---------------------|
| Deadline for tabling AMs: | CONT    | 30 April 2018 14.00 |
| Adoption in REGI          | REGI    | 20 June 2018        |
| Adoption in Plenary       | Plenary | September 2018      |

### 10. ECA BRIEFING PAPER: A CONTRIBUTION TO SIMPLIFICATION OF EU RESEARCH PROGRAMME BEYOND HORIZON 2020

CONT/8/12809



#### Presentation of the Briefing paper by ECA Member responsible, Alex Brenninkmeijer

Rapporteur: [Martina Dlabajová](#) (ALDE)

Administrator: Christian Ehlers

Shadow Rapporteurs: Tomas Zdechovsky (EPP)

The European Parliament and the Council asked the European Court of Auditors (ECA) for input for the preliminary legislative discussion on the successor of Horizon 2020 ("FP9"). This briefing paper focussed on the issue of simplifying the European Union's research Framework Programmes. The Court's analysis showed that simplification is complicated and the Court identified several proposals to bring focus to the discussion on FP9 that is currently taking place.

The Court makes the following proposals: 1) a reasonable timespan between adoption and implementation of legal acts; 2) the use of lump sum and prizes; 3) the use of guidelines as non-binding rules; 4) the acceptance of beneficiaries' accounting practices; and 5) the recognition of good project proposals under Horizon 2020 in other programmes via a one-stop-shop approach.

The briefing paper is not an audit report. The Court is currently conducting a performance audit on "simplification in Horizon 2020". The special report will be published in late 2018. The briefing paper is available on the [CONT website](#).

## 14. ANY OTHER BUSINESS

## 15. NEXT MEETINGS

- 14 May 2018, 15.00 – 18.30 (Brussels)
- 15 May 2018, 9.00 – 12.30 and 15.00 – 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

## NEWS FROM POLICY DEPARTMENT - BUDGETARY AFFAIRS

### FORTHCOMING EVENTS

**BUDG** Hearing "The EU budget and the Paris climate agreement" - **24 April 2018- 14h00/17h30 - JAN6Q2**

**CONT** Hearing "State aid and EU funding - Are they compatible?" - **25 June 2018 – meeting room TBC**

**CONT** Workshop on "Efficient use of EU funding in the Baltic Sea: State of play in the combat against eutrophication" - **15 May 2018 PM- JAN6Q2**

Joint Hearing **BUDG/CONT/LIBE** - Assessing the flow of EU Migration funding within the Union - **16 May 2018 14h30/18h30- JAN6Q2**

**CONT** Workshop on "How to better combat the fraud? Follow up of the Commission's anti-corruption sharing programme" - **20 June 2018 10h00/12h00 - ASP1G3**

**CONT** Workshop on "Has the Single European Sky initiative provided more efficiency for European Air traffic Management - is SESAR delivering results" – **4 June 2018 - meeting room TBC**

### POLICY DEPARTMENT PUBLICATIONS

#### Recent publications

#### CONT

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

Study "[10 years cooperation and verification Mechanism \(Bulgaria and Romania\) - Analyse of the Reports: evaluation and achievements](#)"

#### CONT/BUDG

Study "Oversight and Management of the EU Trust Funds" - not available online

#### Forthcoming publications:

#### BUDG

- Study "Potential revenue from the extension of charging fees by EU Agencies" - **April 2018**

### CONTACTS

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