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**Detailed replies to the specific requests made by the European Parliament
complementing the Commission report on the follow-up to the discharge for the 2016
financial year, COM(2018)545 final.**

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INTRODUCTION

This document complements the Report from the Commission to the European Parliament and the Council on the follow-up to the discharge for the financial year 2016¹ which formed part of the EU Budget Integrated Financial Reporting Package 2017. It presents in detail the replies to 286 specific requests made by the European Parliament in its resolution forming an integral part of its decisions on the discharge for the financial year 2016.

¹ COM(2018) 545

European Parliament resolutions on 2016 discharge

Political priorities

1. (§ 1 - 2016/PAR/0421) The European Parliament calls on the Commission and the Member States to align the Union's policy objectives and financial cycles, the legislative period of the Parliament and the mandate of the Commission.

Commission's response:

The proposed Financial Framework will run for seven years, from 2021 to 2027, with a mid-term review in 2023. The Commission recognises the merit of progressively synchronising the duration of the Financial Framework with the five-year political cycle of the European institutions. However, moving to a five-year cycle in 2021 would not offer an optimal alignment. The proposed seven-year cycle will give the Commission taking office following the European elections of 2024 the opportunity to present, if it so chooses, a new framework with a duration of five years, starting in 2028.

2. (§ 2 (In connection with § 322 from Part XXV - Special Report No 16/2017) - 2016/PAR/0422) The European Parliament calls on the Commission to provide the Parliament with a mid-term evaluation of the current financial period and an evaluation of the past financial periods, to identify which programmes have not shown any clear added value and then carry out a spending review.

Commission's response:

On 2 May 2018 the Commission adopted the proposals for the next MFF COM(2018) 321. A comprehensive spending review provided input for these proposals. This review evaluated the added value of the current generation of spending programmes and helped in identifying opportunities to improve their performance in the future.

The review and the impact assessments published together with the proposals for the future financial programmes make extensive reference to evaluation results; it includes an analysis of the interim reviews/evaluations of the 2014-2020 programmes as well as the outcome of the ex-post evaluations of the 2007-2013 period. Besides these, audit conclusions and other sources of performance information have been used. The findings of this spending review are presented in a Staff Working Document that accompanies the proposals.

3. (§4 (In connection with § 86) - 2016/PAR/0423) The European Parliament insists that the Union budget, as a consequence of the “budget focused on results initiative”, be presented according to the Union’s political objectives for the MFF.

Commission's response:

The future Union budget as proposed by the Commission will be a budget for the Union’s priorities. It will be a modern, focused EU budget that will help to continue bringing to life the positive agenda proposed by President Jean-Claude Juncker in his State of the Union address before the European Parliament on 14 September 2016 and agreed by the Leaders of the 27 Member States in Bratislava on 16 September 2016, as well as in the Rome Declaration of 25 March 2017.

The Commission has been continuously engaged to put performance at the core of the EU budget and this includes making funding simple and accessible. For instance the revised Financial Regulation includes some simplification and flexibility elements for this MFF. For the next period, the Commission proposes a clear and streamlined framework composed by a consistent set of spending programmes articulated in policy clusters. Each spending programme hinges on a set of concise objectives supported by a smaller number of quality performance indicators. This will reinforce the link between objectives and indicators, enhancing monitoring and results measuring. Also, the Budget Nomenclature for the 2021-2027 Multiannual Financial Framework will be simplified and it will promote transparency between the specific objectives and the budgetary allocations; the number of budget lines is reduced and for a lot of programmes, certainly under direct management, specific objectives are aligned with the corresponding budget lines

4. (§ 6 - 2016/PAR/0424) The European Parliament calls on the Commission to commit itself to fundamentally reviewing the young farmers' and greening schemes for the next MFF in light of the findings of the Court of Auditors (the "Court").

Commission's response:

In the draft regulation on CAP Strategic Plan (COM(2018)392) adopted on 01/06/2018, the system for young farmers is made more consistent, more flexible and better targeted to the real needs. "To attract young farmers and facilitate business development in rural areas" is an explicit specific objective of the new CAP. Young farmers will benefit from a wide range of instruments, which will include a combination of mandatory and voluntary aspects, and a minimum funding is guaranteed (at least 2% of the national envelope of direct payments will have to be devoted to this objective).

The Commission is proposing to move away from greening, regarded as the biggest source of complexity in the CAP. The current complex package of environmental and climate measures will be replaced by a new, simpler, more consistent and more environmentally ambitious system of payments consisting of a basic set of mandatory operations and voluntary options. The basis of the architecture will be a new system of "conditionality". This will link all farmers' income support (and other area-/animal- based payments) to the application of environment- and climate-friendly farming practices. It will take some features and content from the current systems of cross-compliance and "greening", which it replaces.

5. (§ 7 - 2016/PAR/0425) The European Parliament calls on the Commission to include in its performance reports assessments on the quality of the data used and a declaration on the quality of the performance information.

Commission's response:

In order to improve transparency, the Commission provided information on the source and quality of data where available in the 2017 Annual Activity Reports and in the 2017 Annual Management and Performance Report for the EU budget, adopted on 6 June 2018.

6. (§ 8 - 2016/PAR/0426) The European Parliament calls on the Commission to provide the Parliament and the Court with more balanced reporting, by including in its performance reports more transparent information on challenges, pitfalls and failures.

Commission's response:

See answer to 2016/PAR/0456.

7. (§ 9 - 2016/PAR/0427) The European Parliament calls on the Commission to speed up the delivery of cohesion policy programmes and related payments with a view to reducing the length of the implementation period, initially, to year n+2.

Commission's response:

The Commission services provide substantial support to Member States' authorities including technical assistance and advisory services (Peer-to-Peer, JASPERS, TAIEX) in order to improve their capacity to implement the Funds and to ensure a robust project pipeline.

Programmes considered at risk or having indicated difficulties are being closely monitored at the level of the management board of REGIO and EMPL. Action plans are put in place for these programmes and monitored through technical meetings. Support also includes targeted advice and dialogue with national authorities, and closer follows up on implementation in case of identified weaknesses. Action is also taken at Member State level – a Task Force was created for Croatia and a special action plan was developed for Romania.

In addition, there is a strong cooperation among the ESI Funds Directorates General. A Stock-taking group, meeting weekly, serves as a platform for coordination of positions among the ESI Funds Directorates General in order to ensure smooth joint management of the Funds and faster feed-back to Member States requesting the Commission's views on implementation problems (ESIF Questions & Answers are made available to all programme authorities based on questions raised).

Spending discipline is necessary for an effective implementation of the EU budget. Transitional arrangements and overlapping periods are needed in order to ensure a smooth continuation of the policies and better programme implementation. The additional time granted to claim funds in the 2014-2020 period (from the n+2 rule to the n+3 rule) has provided more flexibility to implement programmes and ensure the achievement of policy goals, although it has also provided less incentives for national administrations to claim expenditure quickly. This is one of the reasons for the Commission to propose to go back to the n+2 rules for the post 2020 regulatory framework.

The Commission will continue to monitor the pace of implementation and to support Member States in removing all remaining bottlenecks. However, it remains primarily in the hands of Member States to ensure that programmes deliver and that implementation is rapidly reflected in payment requests and budget absorption.

8. (§ 10 - 2016/PAR/0428) The European Parliament calls on the Commission to fulfil the original 20% spending target in integrating climate action into the various Union spending programmes.

Commission's response:

The Commission remains committed to the 20% target and will continue to work in integrating climate across all relevant spending programmes, in the framework set for each programme by the co-legislators.

9. (§ 11 (In connection with §110, § 125, § 205) - 2016/PAR/0429) The European Parliament insists that the Commission finally instruct all its directorates-general to publish their proposals for country specific recommendations in their respective annual activity reports (AARs), as called for by Parliament.

Commission's response:

See answer to the 2015 discharge follow up:

The Directorates-General of the Commission do not individually issue country-specific recommendations. The recommendations are proposed by the Commission and then formally adopted by the Council after discussion in the relevant committees and Council formations and endorsement by the European Council. Detailed and comprehensive reporting on their implementation takes place in the context of the country reports of the European Semester, which are produced annually. Eurostat also publishes yearly updates of the developments regarding the main indicators of the Europe 2020 Strategy. Where relevant, a Directorate-General reports in its Annual Activity Report on its contribution to the European Semester, including on how its activities contribute to the annual process leading to country-specific recommendations to Member States. Distinction should be made between the reporting on the indicators measuring progress on the Europe 2020 strategy in these reports and the reporting in the annual activity reports of the Directorates-Generals presenting the results of actions taken by reference to the objectives set in the management plans. The Annual Activity Reports are not intended to provide comprehensive and detailed reporting on the implementation of country-specific recommendations.

10. (§ 12 - 2016/PAR/0430) The European Parliament calls on the Commission to improve the transparency of migration policy financing as recommended by the Court in its annual report for 2016 and to actively monitor public procurement procedures when they are held in emergency situations.

Commission's response:

The European Court of Auditors refers to a project in Greece under emergency assistance in 2015. The project is closed. Following the Court's finding, DG HOME examines closely the information on procurement in progress reports of project beneficiaries. DG HOME also ensures that there is a sufficient level of information on procurement or asks for further clarifications if needed. Moreover, DG HOME reinforced its control strategy on emergency assistance, ensuring that project beneficiaries provide progress reports on a regular basis and that monitoring missions will be carried out following a risk assessment to be done at the time of the Evaluation Committee.

11. (§ 13 - 2016/PAR/0431) The European Parliament calls on the Commission to improve the transparency of research and rural development policies with the aim of identifying and correcting the causes of particularly high and persistent error rates, as indicated in the Court's annual reports.

Commission's response:

For rural development, the Commission considers that this recommendation is implemented. The Commission is analysing all available information to identify the causes of errors and to assist Member States in taking remedial actions to address them.

When error rates in relation to a support measure or a given paying agency are above the 2% materiality threshold, DG AGRI includes a reservation in its Annual Activity Report. The reservations identify the weaknesses found in the specific Member States' control system. As a result Member States are asked to take corrective actions, often in the form of an action plan. The completeness and implementation of these action plans is monitored by the Commission.

The Commission notes that the error rate established for rural development is constantly decreasing.

For research, errors identified by the Court and by the Commission's own auditors are analysed, with the analysis used to improve information and guidelines for beneficiaries, and to propose modifications to the rules that would avoid common errors. One example was the proposal, adopted for Horizon 2020, for a flat rate of indirect costs. The analysis of the first audit results for Horizon 2020 is being performed, and will be used to simplify, clarify or adjust the rules and guidance for the current and future Framework Programme.

12. (§ 14 - 2016/PAR/0432) The European Parliament calls on the Commission to improve transparency for trust funds and for the external assistance management reports, regularly providing all data at its disposal.

Commission's response:

With regard to EU Trust Funds, the Commission informs the European Parliament regularly about ongoing and planned financing operations and provides a monthly report on their financial performance. Members of the European Parliament are invited as observers to Strategic Board meetings. In addition, the Commission provides since 2017 a comprehensive Working Document accompanying the draft Budget which gives an overview of the background, the governance and the management of the Trust Funds. The Commission transmits the External Assistance Management Reports of the Union Delegations to the European Parliament every year, as required by the Financial Regulation, through a special procedure which takes account of their confidential nature.

The Commission is fully committed to ensuring transparency and therefore is exploring a new format of the report which would allow transmission to the European Parliament without special confidentiality procedures. The release of

the content of these reports to the press or the public at large could harm the diplomatic relationship between our Delegations and the Authorities of our Partner Countries. Finally, the transparency of the EU Trust Funds has been significantly enhanced through dedicated webpages and websites regularly updated with the latest information available on actions approved and financial state-of-plays.

13. (§15 - 2016/PAR/0433) The European Parliament calls on the Commission to negotiate a reduction in the fees charged by the European Investment Bank for creating and administering financial instruments and to present information about the beneficiaries and the results achieved by means of these instruments regularly.

Commission's response:

As to the first part of the recommendation, the aim to reduce fees for creating and administering financial instruments is an inherent element of the Commission's proposal for an InvestEU Programme (COM(2018)439 final) in the 2021-2027 MFF. InvestEU is intended to work on the basis of a budgetary guarantee, which has proven more cost-efficient for the EU budget, as it limits the payment of management fees. Moreover, as point of departure the EU budget is remunerated for providing the guarantee to the implementing partner, as is currently the case for the EIB's implementation of the Infrastructure and Innovation Window of the European Fund for Strategic Investment (EFSI). Under the current MFF, the Commission is equally conscious of not over-compensating the EIB Group and other implementing partners for the costs related to the implementation when negotiating new or amendments to existing financial instruments. The level of fees is always adapted to the nature and size of the instrument, also keeping in mind that some thematic instruments with high added policy value but low degree of market maturity, e.g. social impact instruments, naturally imply higher implementation costs.

As for the second part, the Commission already produces a comprehensive annual report on financial instruments which has been sent to the European Parliament and the Council each year since 2013. This practice will continue under article 41(4) of the new Financial Regulation, which merges the former reports under articles 38(5), 49(1) and 140(8) of the current Financial Regulation. It provides both budgetary and operational data on the result achieved, such as the number of beneficiaries, investment financed, leverage and multiplier effects involved, etc. Under the new Financial Regulation, this information will be available even earlier than has previously been the case, since the report will be annexed to the Draft Budget submitted to the budgetary authority in June. Indeed this year the Commission transmitted its annual report on Financial Instruments as Annex X to the 2019 Draft Budget, published on 11 June 2018.

14. (§ 16 - 2016/PAR/0434) The European Parliament calls on the Commission to speed up the preparation of the Union accounts, to ensure that reliable information from Member States on shared management spending is obtained in a more timely manner and to present the management's view on Union spending earlier and together with the accounts, with the view to adopting a discharge decision in year n+1, while ensuring high data quality and sound financial management.

Commission's response:

In the context of the discussions on the proposed new Financial Regulation the deadlines for the adoption and publication of the EU annual accounts have been well discussed between Parliament, Council and Commission. The request for advanced deadlines could not be implemented at this stage since although it was achieved in 2017 and 2018, further exercises are needed to ensure that it is sustainable, in particular considering how the implementation of the shared management expenditure progresses. This is because one of the key elements of the accounts (and also audit) is the information received from Member States on shared management implementation and the deadlines are fixed by the sectorial legislation. As the implementation of amounts under the current MFF increases the Commission needs to be sure that robust and timely reporting is received from Member States each year so that the accounts can be produced for an earlier date. Otherwise as any advance of final deadlines could require to an advance of deadlines for member states (i.e. change sectorial legislation) to deliver the information as input for the annual accounts, which is not a feasible option in the middle of an MFF.

Despite these issues, the Commission and the Court agreed in 2017 and 2018 to deliver the final EU annual accounts earlier than foreseen in the Financial Regulation. This was mainly achieved by reducing bottle necks on both sides and by working more efficient. As a result the 2016 and 2017 EU annual accounts were adopted end of June which is the earliest adoption date ever. The Commission is committed to trying to achieve the same advanced deadlines for future years.

Annual Management and Performance Report (AMPR): management achievements

15. (§ 33 - 2016/PAR/0435) The European Parliament takes note of the Court's assertion that in expenditure the error is not “pervasive” (Court’s annual report, paragraph 1.8); calls on the Commission and the Court to align their methods using the international audit standards before issuing the next annual report or AAR.

Commission's response:

The Commission is continuously working on increasing consistency in the calculation of estimated amounts at risk at payment/reporting/closure, duly taking into account the observations from the European Court of Auditors in its Annual Report.

The 2017 AAR Instructions, Template and Guidance included further clarifications on these aspects. The various concepts and indicators have nevertheless been defined in a sufficiently flexible manner to enable taking account of the specific circumstances of the various DGs and yet, ensure a sufficient degree of consistency to enable the consolidation of data for the AMPR.

16. (§ 35 - 2016/PAR/0436) The European Parliament notes that this decrease [in estimated overall amount at risk at payment compared to 2015] is, according to the Commission, mainly due to cohesion's lower inherent risk of error for programmes of the current MFF; is surprised by this explanation given the very low level of budget implementation in this area; calls on the Commission to further explain the matter.

Commission's response:

There is no incompatibility here. The 2016 overall amount at risk at payment in Cohesion is lower due to the reduced inherent risk of the current Cohesion programmes (cf. newly introduced retention and clearing mechanisms) and their already increased weight in the Cohesion total relevant expenditure.

The current/legacy ERDF programmes weighted resp. 20%/80% in terms of 2016 relevant expenditure. Their estimated error levels were 1%-2% compared to 2.2%-4.2% (cf. 3.0%-5.6% in 2015).

The current/legacy ESF programmes weighted resp. 26%/74% in terms of 2016 relevant expenditure. Their estimated error levels were 0.9% compared to 3.9% (cf. 3.0%-3.6% in 2015).

Both effects indeed further increased during 2017.

17. (§ 38 - 2016/PAR/0437) The European Parliament shares the view of the Court that the Commission’s methodology for estimating its amount at risk error has improved over the years but that “individual DGs’ estimations of the level of irregular spending are not based on a consistent methodology”; calls on the Commission to use the same methodology to estimate its amount at risk error for all DGs and to inform the discharge authority of its progress.

Commission's response:

While the multi-annual design of the Commission's control systems is by now fully acknowledged by the European Court of Auditors, a joint ECA-Commission

working group has been set up in 2017 with the objective to further enhance the common understanding of the types of corrections and recoveries, their impact on the protection of the EU budget, and their presentation in the Commission's related reporting. A common understanding on major points concerning financial corrections has been found during 2017.

The Commission is continuously working on increasing consistency in the calculation of estimated amounts at risk at payments/reporting/closure, taking into account the observations from the European Court of Auditors in its Annual Report. The 2017 AAR Instructions, Template and Guidance included further clarifications on these aspects. The various concepts and indicators have nevertheless been defined in a sufficiently flexible manner to enable taking account of the specific circumstances of the various DGs and yet, ensure a sufficient degree of consistency to enable the consolidation of data for the AMPR.

18. (§ 43 - 2016/PAR/0438) The European Parliament strongly reiterates its call on the Commission and the Member States to put in place sound procedures to confirm the timing, the origin and the amount of corrective measures and to provide information reconciling, as far as possible, the year in which payments are made, the year in which the related error is detected and the year in which recoveries or financial corrections are disclosed in the notes to the accounts.

Commission's response:

The Commission considers that the corrective actions are best presented on a multi-annual perspective, as this view reflects the multi-annual nature of most EU spending.

Due to this multi-annual nature of EU spending, along with the complexity of the systems in place, the financial corrections usually take place in the years after the original expenditure was made from the EU budget. Furthermore, the financial corrections often cover several years of payment. For all these reasons, it is simply not feasible, also given the cost-benefit constraints, to link the financial corrections to the original year of payment. The annex 4 of the AMPR includes a dedicated chapter on the cumulative (multi-annual) financial corrections, thereby providing the reader with this more relevant information. Moreover, specific information on the link between spending and corrections over the years for EAGF (cumulative figures per Member State) and ERDF/ESF (cumulative figures per Member State and programming period) is given.

Commission internal governance tools

19. (§ 45 - 2016/PAR/0439) The European Parliament points out that the College of Commissioners does not produce an annual statement on governance, in line with best practice and the common practice of Member States; calls on the Commission to produce an annual statement on governance in order to provide for a higher transparency and accountability of its College.

Commission's response:

The Commission has published an updated communication describing its governance arrangements (C(2017) 6915 final) which explains how it complies with international standards and good practice.

Information on the estimated amounts at risk at payment and at closure, as well as on the state of internal control is presented in the Annual Management and Performance Report. The 2017 Annual Management and Performance Report also described the latest developments in terms of governance arrangements in a dedicated section.

20. (§ 46 - 2016/PAR/0440) "The European Parliament asks the Commission to implement recommendation number 2 of the Court's Special Report 27/2016 and, in addition, accompany its financial statements with an annual statement on governance and on internal control covering in particular:
- a) a description of the internal governance tools of the Commission,
 - b) an assessment of the operational and strategic risk activities during the year and a mid- and long-term fiscal sustainability statement.

Commission's response:

See answers to 2016/PAR/439 and to 2016/PAR/0450.

Budgetary and financial management

21. (§ 55 - 2016/PAR/0441) The European Parliament points out that, in line with the principles of cohesion policy, Union funds form a significant share of some Member States' expenditure, and in particular that in nine Member States (Lithuania, Bulgaria, Latvia, Romania, Hungary, Poland, Croatia, Estonia, Slovakia,) outstanding commitments on ESI funds represent financial support of more than 15 % of general government spending; calls on the Commission to also prepare a positive advertising campaign with a view to informing citizens of these countries in more detail about the direct benefits of their membership.

Commission's response:

At the 25 April 2017 General Affairs Council Meeting, Commissioners Crețu and Thyssen presented seven actions to increase the visibility of cohesion policy across Europe. In the conclusions of the meeting, the Member States and the Commission agreed to jointly scale up common efforts to increase the visibility of the policy.

On 12 April 2018, Commissioners Crețu and Thyssen reported back on progress achieved. This report accounts for progress in the Member States as well as for Cohesion policy campaigns and activities in addition to the numerous (more than 1 in 3) cohesion policy projects showcased as part of the #InvestEU campaign rolled-out in each Member State. These include in particular: the annual edition of the EU in myregion campaign covering the above 9 Member States, the 2018 Road Trip Project and its 4 routes covering 20 Member States across Europe (among which the above 9). Finally, the August 2017 open call for partnerships with media to ensure the visibility of cohesion policy should ensure extra coverage in 5 of the above 9 Member States (CZ, HU, PL, RO, SK) and a new call was open in May 2018 with the hope to extend the geographical coverage.

22. (§ 56 - 2016/PAR/0442) The European Parliament fears that Member States where European Structural Investment (ESI) funds represent a significant percentage of general government expenditure may find it challenging to identify sufficiently high quality projects on which to spend the available Union funds or to provide co-financing; calls on the Commission and the Court to pay greater attention to the sustainability aspect of the proposed investment projects and to critically assess their adequacy.

Commission's response:

Through the programming architecture defined for 2014-2020, the performance of ERDF and Cohesion Fund programmes is overseen by the Commission through the result orientation at the programme level. The result orientation of each programme is constructed of priority axes, composed of investment priorities with specific objectives. The approach for the period 2014-2020 to assessing the effective and efficient implementation of the programmes relies on 1) regular monitoring, 2) the conduct by the programmes of impact evaluations during the period (a new obligation for 2014-2020) and 3) impact evaluation by the Commission. Furthermore, through the introduction in the 2014-20 period of ex-ante conditionalities linked to the investment priorities, the projects selected should

be better tailored to the socio-economic context at the European, national and regional level.

The approach followed during the 2014-2020 programming period contains important elements designed to ensure that projects with EU value added are selected and implemented. While it is the Member States' responsibility under shared management to select operations and monitor the implementation and contribution of those operations to the objectives, they do it within the thematic concentration requirements established in the regulations and in line with the requirements set in the operational programmes which are negotiated and approved by the Commission and in compliance with selection criteria set by monitoring committees. The programmes include tailor-made provisions defining scope of support, as well as principles for selection of operations. Fulfilment of all these requirements is subject to rigorous audits including at project level. It is up to the Commission to monitor whether programme implementation is in line with the funding priorities agreed with the Member States.

Regarding more specifically the sustainability aspects of the projects and as far as the Commission is concerned, during the approval process of programmes post-2020, the Commission will pay particular attention to how Member States address durability of outputs and results in order to promote the achievement of durable results from ERDF-financed productive investments, in particular through an ex-ante analysis in order to avoid deadweight loss.

In its future ex-post evaluations, the Commission will reinforce the durability aspects within the limits provided by the timing of the evaluations and the types of the interventions analysed.

23. (§ 57 - 2016/PAR/0443) The European Parliament is concerned at the reasons why, three years after the start of the 2014-2020 period, Member States had designated only 77 % of the programme authorities responsible for implementing ESI funds; is satisfied, however, that at present this figure stands at 99 %; questions the need to modify procedures at the beginning of each programming period; calls on the Commission to analyse carefully why some regions still have a low fund absorption rate and to take specific actions aimed at resolving the structural problems.

Commission's response:

Progress on implementation and absorption varies indeed a lot across Member States and sectors. This shows that Member State-specific factors, including the capacity of the administration to set up an effective programme delivery mechanism, are playing an important role.

The Commission services provide substantial support to Member States including technical assistance and advisory services (for instance JASPERS meetings with Member States, Peer2Peer exchange of good practices and expertise under REGIO TAIEX) in order to improve their capacity to implement the Funds. Low-performing programmes are a priority for REGIO and active engagement of senior management is ensured with special monitoring established at the level of the management board. Action plans are put in place for these programmes and monitored through technical meetings. Support also includes targeted advice and dialogue with national authorities, and closer follows up on implementation.in

case of identified weaknesses. Action is also taken at Member State level – a Task Force was created for Croatia and a special action plan was developed for Romania. In addition, there is a strong cooperation among the Directorates general in charge of ESI Funds. A Stock-taking group, meeting weekly, serves as a platform for coordination of positions among the ESI in order to ensure a smooth joint management of the Funds.

The Commission will continue to monitor the pace of implementation and to support Member States in removing all remaining bottlenecks.

Additionally, the provisions of the post-2020 proposal promote the roll-over of existing systems and simpler rules for identifying new bodies.

24. (§ 64 (a) - 2016/PAR/0444) "The European Parliament calls on the Commission:

a) to take into account the growth in outstanding commitments in its forecast of payment appropriations for the next MFF, in order to help ensure an orderly balance between commitment and payment appropriation.

Commission's response:

In its medium term payment forecast the Commission regularly presents to the European Parliament and the Council the development of outstanding commitments until the end of the Multiannual Financial Framework. The impact of the outstanding commitments at the end of 2020 on payments was taken into account when proposing the payment ceiling for the period 2021-2027 in order to ensure an orderly balance between commitment and payment appropriations. The details were presented to the European Parliament and the Council.

25. (§ 64 (b) - 2016/PAR/0445) "The European Parliament calls on the Commission:

b) to make proposals to the Parliament and the Council, ensuring a consistent approach to the issue of whether or not special instruments are counted within the ceilings for payment appropriations in the MFF.

Commission's response:

The Commission has put forward, in its proposal for a Council Regulation laying down the multiannual financial framework for the years 2021 to 2027 (COM(2018) 322 final, 2.5.2018), a clear provision in Article 2.2: "Where it is necessary to use the resources from the special instruments provided for in articles 9 to 14, commitment and corresponding payment appropriations shall be entered in the budget over and above the relevant MFF ceilings." This ensures consistency with the Commission's current approach.

26. (§ 64 (c) - 2016/PAR/0446) "The European Parliament calls on the Commission:

c) for management and reporting purposes, to establish a way of recording Union budgetary expenditure that will make it possible to report on all funding related to the refugee and migration crisis.

Commission's response:

A report following up on the implementation of the funding for the migration crisis for the period 2015-2017 will become available by the end of 2018 and be updated on a regular basis.

27. (§ 64 (d) - 2016/PAR/0447) "The European Parliament calls on the Commission:

d) to provide the Parliament in the context of discharge with a comprehensive report about the indirect managed and implemented Union budget resources by the EIB Group (EIB and EIF) apart from its external mandate starting with financial year 2017.

Commission's response:

The Commission already produces a comprehensive annual report to the European Parliament and the Council on all financial instruments. It covers the financial instruments under the 2007-2013 and 2014-2020 MFFs, including (but not restricted to) those subject to implementation via the EIB Group (EIB or EIF). The report was annexed to the Draft Budget submitted to the budgetary authority in June.

28. (§ 64 (e) - 2016/PAR/0448) "The European Parliament calls on the Commission:

e) in the context of the debate on the future of Europe, to consider how the Union budgetary system could be reformed to provide an adequate budget to guarantee funding for the planned policies, a better balance between predictability and responsiveness as well as how best to ensure overall funding arrangements are no more complex than necessary to meet Union policy objectives and guarantee accountability.

Commission's response:

As pointed out in the reflection paper on the future of EU finances, there is a need to strike the right balance between the stability and the flexibility of financing. In the Communication from the Commission COM(2018) 321 of 2 May 2018, the Commission is proposing a Multiannual Financial Framework for seven years, from 2021 to 2027, with a mid-term review in 2023.

It is proposed to build on existing mechanisms to make the budget more agile. This includes increasing flexibility within and between programmes, strengthening crisis management tools and creating a new "Union Reserve" to tackle unforeseen events and to respond to emergencies.

Moreover, the Commission proposes to reduce the number of programmes by more than a third, for example by bringing fragmented funding sources together into new integrated programmes, and to make rules more coherent on the basis of a single rulebook. This will facilitate participation in EU programmes and accelerate implementation. The new architecture of the future Multiannual Financial Framework and the integration of the European Development Fund into the EU budget will provide greater transparency on what the EU budget is for and how the different parts of the budget will contribute.

29. (§ 64 (f) - 2016/PAR/0449) "The European Parliament calls on the Commission:

f) to consider as well the possibility to enable authorities designated or accredited to fulfil management, certification and audit functions during the period 2014-2020, which have proven their capacity, to continue implementing such functions in the next programming period without interruption or delay.

Commission's response:

As far as Cohesion policy is concerned, post 2020 proposals for the 2021-2027 programming period have been adopted by the Commission on 29 May 2018. The proposal for common provisions is also applicable to the delivery of the future European Maritime and Fisheries Fund.

According to those Commission's proposals, in the beginning of the programming period there will be no need to go through the designation process of the authorities in charge of implementing Cohesion policy like in the 2014-2020 period. Member States can roll-over the existing implementation system. In the case of newly identified managing authorities and authorities in charge of the accounting function system audits shall be carried out within nine months following their first year of functioning.

More details on Commission proposals are available at https://ec.europa.eu/commission/publications/regional-development-and-cohesion_en

30. (§ 64 (g) - 2016/PAR/0450) "The European Parliament calls on the Commission:

g) once again to establish annually an updated long-term cash-flow forecast, spanning a seven to ten year time horizon covering budgetary ceilings, payments needs, capacity constraints and potential de-commitments in order to better match payment needs and available funds.

Commission's response:

The Commission has presented an update of the medium term payments forecast in October 2017, estimating the evolution of outstanding commitments (RAL) at the end of the 2014-2020 MFF period, assessing the sustainability of the payment ceilings taking into account the new flexibility provisions agreed with the Mid-term revision of the Multiannual Financial Framework.

The Commission also presented a forecast of payment appropriations after 2020 in compliance with point 9 of the Interinstitutional Agreement of 2 December 2013.

These reports were necessarily limited to commitments up to 2020 as the Commission could not forecast future commitments before it tabled its proposal on the next Multiannual Financial Framework, which was made in May 2018.

For future years, Article 247(1) of the new Financial Regulation sets out an obligation for the Commission to communicate annually to the European Parliament and the Council an integrated set of financial and accountability reports, including a long term forecast of future inflows and outflows covering the next 5 years.

31. (§ 64 (h) - 2016/PAR/0451) "The European Parliament calls on the Commission:

h) to proactively assist Member States which encounter difficulties with timely and smooth absorption of available Union funding by using the available resources for technical assistance at the initiative of the Commission.

Commission's response:

The Commission is following up within the framework set out by the MFF and the relevant legislation.

The Commission put in place a Task Force for Better Implementation in order to improve the implementation of ESI funds in certain Member States, while ensuring full respect of legality and regularity of expenditure. The Commission ensured that full benefit was drawn from the work of the Task Force. In the 2014-2020 programming period the Commission has taken several actions in order to ensure successful implementation across EU28. These actions aim to assist Member States in the implementation stage, taking account of their specific need. Furthermore, the Commission services have specifically monitored designation of authorities and fulfilment of ex-ante conditionalities and provided Member States with a wide range of technical assistance and advisory services in this respect (Peer2Peer, Jaspers, Integrity Pacts).

Last, the Commission services are closely monitoring slowly performing programmes and are following up these cases with the responsible managing authorities. This monitoring is done regularly and the list of slowly performing programmes is also reviewed regularly. At national level, where specific bottlenecks in implementation have been identified, the Commission services have agreed with national authorities on a set of actions to address them.

Getting results from the Union budget

32. (§ 66 - 2016/PAR/0452) The European Parliament points out that the AARs of the directors general report on the annual payments of directorates-general by type of activity or spending programme, whilst on performance they report on the achievement of general and specific objectives with no indication of the corresponding expenditure; disagrees with Commission's explanation that it is not possible to assess how much was spent on pursuing the set objectives; calls on the Commission to fully implement the performance-based budgeting principle of budget planning, implementation and reporting, which will allow ex post reporting on the funds spent in pursuit of objectives.

Commission's response:

The Commission considers that this recommendation is being implemented through the programme statements, which are the instrument through which the Commission justifies the financial resources for spending programmes in the draft budget. For the 2019 draft budget, these include information, for each programme, on financial programming and financial implementation alongside information on performance and expenditure related outputs. It hence considers that the programme statements present information in a way that enable to link spending and performance.

In addition, efforts have been made in the 2017 Annual Activity Reports and 2018 Management Plans of the Commission services to make the link between those performance documents with the programme statements.

A spending review has analysed how to strengthen the focus on performance across all programmes, by setting clearer objectives and focusing on a smaller number of higher quality indicators of performance. This should allow for improved measurement and monitoring, allowing corrective action to be taken to maximise the results achieved with the budget.

Therefore, the proposal for the new MFF is aligned with political priorities to ensure a seamless line of spending and achieving the envisaged results. Specific objectives of the programmes/instruments as listed and defined in the basis acts will be reflected in the budget structure in order to enhance the performance reporting and planning.

33. (§ 71 - 2016/PAR/0453) The European Parliament calls on the Commission to consult academics with a view to defining the proper performance indicators needed for the 'budget focused on results' measurements and, on that basis, prioritise investment in public goods with the aim of addressing citizens' concerns.

Commission's response:

In order to validate the performance framework in place for the EU budget and identify possible avenues for improvement, the Commission has been working closely with OECD who possesses top expertise in the field of performance-based budget. The OECD assessed the performance framework and proposed improvement suggestions. The report was sent to the Parliament in December 2017.

In addition, the Commission works together with EUROSTAT through the methodology framework contract and with JRC in order to define performance indicators for the next MFF.

Indicators inform about progress and achievements and provide evidence for communication with citizens but they are not intended to prioritise investment. Investment prioritisation is done at the moment of the MFF proposal.

As a basis for the proposal for the post-2020 MFF, the Commission performed a spending review setting out the evidence and the analytical underpinning for the Commission's proposals.

Wide-ranging consultations took place with key stakeholders and Member States, steered at political level by the Vice-Presidents of the Commission together with the Commissioner for the Budget. A systematic review of all programmes and policy clusters, took into account information available from the outcome of ex post and interim evaluations of programmes, audit findings and notably the input from public consultations.

34. (§ 83 (a) *first and second indent - 2016/PAR/0454*) "The European Parliament asks the Commission to:

a) streamline performance reporting by:

- further reducing the number of objectives and indicators it uses for its various performance reports and focusing on those which best measure the performance of the Union budget; in preparing the next MFF, the Commission should propose fewer and more appropriate outcome and impact indicators for the legal framework of the next generation of programmes; in this context, it should also consider the relevance of indicators for which information cannot be obtained until several years have elapsed;

– presenting financial information in a manner that makes it comparable with performance information so that the link between spending and performance is clear.

Commission's response:

The performance indicators used by Commission services were reviewed as part of the preparation of the 2014-2020 strategic plans. This resulted in a reduction in the overall number and an improvement in quality.

In the framework of the preparation of the proposal for the next MFF, the Commission, under the EU Budget Focused on Results initiative, has undertaken a review of the indicators for the spending programmes. It aims to reinforce the alignment between programmes' objectives and indicators, thus enhancing the meaningfulness of the information on programmes' progress and achievements, to be able to provide information all along the programme execution. The performance framework has been defined in each individual basic act.

The Commission considers that the second part of the recommendation is being implemented through the detailed information reported in the programme statements for EU spending programmes. The programme statements are the instrument through which the Commission justifies the requested financial resources for spending programmes in the annual draft budget. The programme

statements include information on financial programming and financial implementation alongside with performance information for each spending programme. The information is structured and reported in a way that enables to link spending and performance. In addition, efforts have been made in the 2017 Annual Activity Reports and 2018 Management Plans of the Commission services to make the link between those performance documents with the programme statements.

35. (§ 83 (a) *third indent* - 2016/PAR/0455) "The European Parliament asks the Commission to:

a) streamline performance reporting by:

– explaining and improving the overall coherence between its two sets of objectives and indicators for programmes on the one hand and directorates general on the other.

Commission's response:

Objectives and indicators for programmes are reported in the Programme Statements accompanying the draft EU budget. Objectives and indicators for Commission services are reported in the Annual Activity Reports. Since the 2016 reporting year, the two frameworks have been clearly separated for a clearer accountability. In the 2017 Annual Activity Reports signed by the Directors-General and Heads of service, clearer references to Programme Statements were used to avoid repetition and to ensure consistency. The use of references to Programme Statements helped the services to explain in particular the results obtained thanks to the actions of the service through the implementation of the programme.

36. (§ 83 (b) - 2016/PAR/0456) "The European Parliament asks the Commission to:

b) better balance performance reporting by clearly presenting information on the main challenges still to be achieved.

Commission's response:

The Commission is committed to producing high-quality performance reports that describe results in a balanced manner. The core performance reports (Annual Activity Reports, Annual Management and Performance Report and programme statements) for the financial year 2017 have been enriched to give more information on the main challenges for achieving results.

The 2017 Annual Activity Reports signed by the Directors-General and Heads of service are better balanced since they made extensive use of the results of the evaluations of the programmes that identified weaknesses, shortcomings or challenges.

In the 2017 Annual Management and Performance Report (under section 1) the Commission presents the latest information on results achieved with the EU budget. It also summarises evidence on the results achieved by the financial programmes but also on the areas where performance has fallen short of expectations or shortcomings have been identified in programme design by evaluations and audit work. Extensive coverage is provided on the lessons drawn from the mid-term evaluations of financial programmes.

The Programme Statements prepared for the budgetary procedure 2019 include a section on Programme implementation including delays or other problems and the way they have been addressed.

37. (§ 83 (c) - 2016/PAR/0457) "The European Parliament asks the Commission to:
- c) better demonstrate that evaluation results are well used by requiring in particular that evaluations always include conclusions or recommendations, which the Commission should subsequently follow up.

Commission's response:

Evaluation conclusions and their follow-up are already an intrinsic part of the better regulation system in the Commission and the process of annual programming and planning of Commission activities. This system was further strengthened with the revision of the Better Regulation Guidelines and Toolbox adopted on 7 July 2017. These include strengthened and clearer provisions on formulating evaluation conclusions making it clear that they should be written in such a way that policy makers can use them as a basis for future policy development.

Evaluation conclusions were particularly important in the spending review accompanying the Commission's proposal for the multiannual financial framework 2021-2027. This proposal followed up the outcome of ex post evaluations of the 2007-2013 programmes and the interim evaluations of the 2014-2020 programmes.

38. (§ 83 (d) - 2016/PAR/0458) "The European Parliament asks the Commission to:
- d) take overall political responsibility in the AMPR for the information on performance and results and indicate, to the best of its knowledge, whether the performance information provided is of sufficient quality.

Commission's response:

See answer to 2016/PAR/0425.

39. (§ 83 (e) - 2016/PAR/0459) "The European Parliament asks the Commission to:
- e) make performance information more easily accessible by developing a dedicated web portal and search engine.

Commission's response:

The Commission will continue to strive to make performance information easily accessible.

However, in line with the Communication to the Commission "Synergies and Efficiencies in the Commission – New Ways of Working" (SEC(2016)170) from April 2016, a dedicated web portal and search engine should not be aimed at, but rather a relevant web presence using the corporate search engine of the Europa website.

The Commission is planning to carry out an assessment, by the end of 2019, in order to appraise the feasibility, the costs and the potential benefits of such a web presence. The action to implement will depend on the outcome of this assessment.

Revenue

40. (§ 90 - 2016/PAR/0460) The European Parliament [notes with concern that as to the revenue for 2016, the director general of Directorate-General for Budget has issued a reservation for the traditional own resources revenue, in view of the OLAF's fraud case related to United Kingdom customs duties]. Points out that for 2016 the revenue affected by the quantified reservation is approximately EUR 517 million against a total amount of EUR 20,1 billion of traditional own resources: i.e. 2,5 % of traditional own resources or 0,38% of all resources; calls on the Commission to provide precise information on this fraud case, which may also indirectly affect the Value Added Tax basis of some Member States and thus Value Added Tax-related resources plus the Gross National Income-related balancing of the Commission.

Commission's response:

1) The estimated losses to the EU budget, incurred in the UK, result from a massive undervaluation fraud of textiles and footwear originating from P.R. of China. The Commission services and OLAF repeatedly addressed this issue with the UK and requested specific remedial measures to be taken (e.g. value thresholds as risk profiles, physical checks at clearance, taking security payments for additional duties likely to be due before releasing the goods for free circulation). In the absence of measures by the UK which would have addressed the fraud effectively, customs duties much lower than those actually due have been collected by the UK authorities. As VAT is calculated on the basis of the declared customs value, the amount of VAT (and of VAT own resources) was also negatively impacted.

In 2017 and 2018, DG BUDG performed three TOR inspections in the UK, during which selected import declarations were checked. The findings confirmed the undervaluation fraud in the UK.

Since custom duties qualify as traditional own resources (TOR) to be paid to the EU budget (80% for the EU budget, 20% as collection costs for the Member State), the UK authorities' lack of action resulted in TOR losses for the EU budget estimated at almost EUR 2.7 billion between 2011 and 2017 (gross amounts, before the deduction of collection costs).

There is also a sizeable amount of interest for belated payment involved.

The Commission correspondence with the UK in this matter kept on urging the UK to put in place the recommended remedial measures and to pay to the EU budget the TOR losses.

2) The Commission inspections found that only from 12 October 2017 did the UK authorities gradually introduce the requested remedial measures through a special action called "Customs Operation Swift Arrow". Since the start of this operation a large number of imports were identified as potentially undervalued. For the imports actually checked, UK Customs confirmed the undervaluation and requested securities before releasing the goods for free circulation in the EU.

Surveillance2 data shows a steep reduction of the TOR losses in the UK after the start of operation Swift Arrow, confirming the effectiveness of the measures requested by OLAF and the Commission in reducing the TOR losses. The

Commission's assessment of the current situation has not yet been finalised and may lead to further claims of TOR losses.

3) Given the UK's persistent refusal to pay the TOR losses to the EU budget, the Commission decided on 8 March 2018 to start a formal infringement procedure by sending to the UK a Letter of Formal Notice under Article 258 TFEU. The UK replied on 22 June 2018. The Commission is currently considering the next steps in this procedure. It will take all the necessary measures to fully protect the EU financial interest.

4) It is the responsibility of Member States to establish and recover customs duties within the time limits prescribed by EU customs legislation as soon as they become aware of the incurrence of the customs debt. Irrespective of the next steps in the procedure, the Commission maintains its position that the UK should make available to the EU budget without delay the TOR losses that its inaction caused. This would also stop further accumulation of late payment interest.

41. (§ 92 - 2016/PAR/0461) The European Parliament calls on the Commission, with regards to discrepancies in the level of customs checks between the various Member States, to examine different customs check practices in the EU and their impact on the deviation of trade, focusing in particular on EU customs practices at external borders, and to develop reference analyses and information on customs operations and the procedures used in the Member States.

Commission's response:

The Commission recognises the need to better address differences of risk based controls in the EU. On 31 May 2018 it has adopted a Commission Implementing Decision on financial risk criteria which provide for a common way to select consignment subject to customs controls. This decision will be fully operational 1 year after its adoption. In the meantime the Commission and the Member States will have to agree on guidance to ensure a common understanding of the provisions including guidance on controls. This should contribute to a more coherent approach related to customs controls.

42. (§ 93 - 2016/PAR/0462) The European Parliament calls on the Commission to develop an action plan to ensure the full and timely implementation of the VAT regulations in each and every Member State in order to secure this source of Union own resources.

Commission's response:

Under Article 12 of Regulation (EEC, Euratom) n° 1553/89, the Commission conducted monitoring visits to assess the VAT collection and control procedures in Member States. Following the visits, a Report was presented to the European Parliament. Possible infringement found in this context will be treated according to the policy defined by the Commission in its communication of 13 December 2016 "EU law: Better results through better application [C(2016)8600 and respective guidelines C(2016)8428]. In November 2017, the Commission adopted a legislative proposal to strengthen the administrative cooperation instruments in the field of VAT (COM(2017)706). It included measures to allow Eurofisc and tax

authorities to exchange information with OLAF and the EPPO in order to protect the financial interests of the Union.

43. (§ 100 (a) - 2016/PAR/0463) "The European Parliament requests that the Commission:

a) take all the necessary measures to ensure the recovery of Union own resources that have failed to be collected by the UK authorities as to the import of textiles and shoes from China and put an end to VAT evasion.

Commission's response:

The Commission will continue its measures to recover traditional own resources not recovered by the UK authorities on imports from the People's Republic of China of textiles and footwear. It will take all the necessary measures to fully protect the EU financial interest.

44. (§ 100 (b) - 2016/PAR/0464) "The European Parliament requests that the Commission:

b) consider launching a timely infringement proceedings as to the UK customs duties case fraud.

Commission's response:

The Commission decided on 8 March 2018 to start a formal infringement procedure by sending to the UK a Letter of Formal Notice under Article 258 TFEU concerning this case. The UK replied on 22 June 2018. The Commission is currently considering the next steps in this procedure. It will take all the necessary measures to fully protect the EU financial interest.

45. (§ 100 (c) - 2016/PAR/0465) "The European Parliament requests that the Commission:

c) analyse, in cooperation with Member States, all the potential implications of multinational activities on the estimation of GNI, and provide guidance to them on how to deal with these activities when compiling national accounts.

Commission's response:

The correct treatment of globalisation related issues is high in the priority list for issues to be dealt with in the course of the current verification round. Work has intensively progressed over the last two years. Eurostat, together with national statistical authorities (NSIs) are committed to continue the work on the Early Warning System in case of relocation or restructuring of Multi-National Enterprise (MNE) Groups. More recently, a MNE Group Pilot exercise was launched aiming at achieving by the end of the current GNI verification cycle a reasonable understanding of the reliability of the recording of globalisation issues in GNI data. The outcome of this exercise might lead to put reservations related to globalisation issues where appropriate, thus continuing to assure the protection of EU financial interests. Furthermore the deliverables of the MNE Group Pilot exercise will help to provide guidance to the NSIs and to identify possible globalisation related measures necessary. The Commission also launched a call for proposal to support Member States in this pilot exercise. For this pilot to be

successful, all Member States concerned have agreed during the February 2018 ESSC meeting to cooperate, including by sharing necessary information. The cooperation of the MNE Groups themselves will also be determinant.

46. (§ 100 (d) - 2016/PAR/0466) "The European Parliament requests that the Commission:

d) confirm, during the GNI verification cycle, that R&D assets have been correctly captured in Member States' national accounts, paying particular attention to the valuation of R&D assets and to residency criteria in cases where multinational activities have relocated.

Commission's response:

Research and development is subject of a cross-country comparison review during the ESA2010 verification cycle, in view of R&D assets correct valuation. Eurostat, together with national statistical authorities are committed to continue the work on the established Early Warning System in case of relocation or restructuring of MNE Groups. The correct treatment of globalisation related issues is high in the priority list for issues to be dealt with in the course of the current verification round. Work has intensively progressed over the last two years.

47. (§ 100 (e) - 2016/PAR/0467) "The European Parliament requests that the Commission:

e) bring forward proposals for new own resources in order to ensure the stability of the Union budget.

Commission's response:

On 2 May 2018, as part of its package for the Multiannual Financial Framework 2021-2027, the Commission adopted legislative proposals for a new system of Own Resources. The proposals comprise the simplification of the own resource based on Value Added Tax and the introduction of new categories of own resources based on the auctioning revenue of the European Emissions Trading System, a national contribution based on plastic packaging waste that is not recycled, the Common Consolidated Corporate Tax Base. By diversifying its income sources, and by linking them to EU policy objectives as well as the functioning of the internal market and national economic performance, the resilience and robustness of the system will be enhanced.

Competitiveness for growth and jobs

48. (§ 114 - 2016/PAR/0468) The European Parliament notes that 183 grant agreements for Horizon 2020 were signed with participants from third countries in 2016; points out that EUR 299,5 million have been committed to participants from Switzerland in grant agreements signed in 2016 while the contribution of Switzerland to Horizon 2020 amounted to EUR 180,9 million; refuses to grant a "net recipient status" to one of the wealthiest countries in the world; calls on the Commission to put forward regulation to compensate such an imbalance.

Commission's response:

Article 12(4) of the proposal for the new Framework Programme "Horizon Europe" contains the following provision:

"The conditions determining the level of financial contribution shall ensure an automatic correction of any significant imbalance compared to the amount that entities established in the associated country receive through participation in the Programme, taking into account the costs in the management, execution and operation of the Programme."

The Commission has therefore put forward a solution that would compensate imbalances in the payments and receipts of all associated countries.

49. (§ 115 - 2016/PAR/0469) The European Parliament acknowledges the success of the common support centre and its contribution to delivering simplification and legal and technical advice; asks DG R&I which simplification measures it intends to propose for the period post-2020.

Commission's response:

The legislation proposed by the Commission for the post 2020 period already includes a number of simplifications, which will be fully debated with the legislative authority. At this stage the simplifications are generally linked to the structure of the programme, and profiting from the "single rule book", with minimal derogations from the rules set out in the Financial Regulation. In particular, the proposed legislation allows for a much wider use of simplified cost options, including lump sum funding.

The simplifications that will be introduced in the detailed rules will be set out later, and form part of the discussion with the legislative authority about the new rules. However, it is already clear that the proposals will include simpler rules for time recording, calculation of personnel costs, and a wider use of system audits.

50. (§ 126 - 2016/PAR/0470) The European Parliament calls on DG R&I to follow up the recommendations of the Internal Audit Service (IAS) which found weaknesses in ensuring a consistent project monitoring approach across the Horizon 2020 implementing bodies.

Commission's response:

The recommendations of the IAS will be implemented before the end of 2018.

51. (§ 127 - 2016/PAR/0471) The European Parliament calls on DG R&I to report on the progress made by the Common Audit Service in increasing the maturity of its internal processes.

Commission's response:

The progress made by the Common Support Centre is evident from the Annual Activity Report of DG RTD, the mid-term evaluation of Horizon 2020, and the Impact Assessment of Horizon Europe. It will also be covered in the upcoming Special Report by the European Court of Auditors on simplification in Horizon 2020. No further reporting is considered to be necessary.

52. (§ 128 (In connection with § 119) - 2016/PAR/0472) The European Parliament calls on DG R&I to report to Parliament's competent committee on its supervision strategy for financial instruments and on how DG R&I establishes whether financial and research-related objectives were achieved.

Commission's response:

The delegation agreement between the European Commission and the European Investment Bank group sets out the requirements on the EIB/EIF for reporting to the Commission on financial management and the achievement of operational objectives. The supervision strategy of DG R&I ensures that this information is received, examined and reported to management.

The interim evaluation of Horizon 2020s Financial Instruments covered the performance of the instruments in detail

https://ec.europa.eu/research/evaluations/pdf/archive/other_reports_studies_and_documents/interim_evaluation_of_horizon_2020%27s_financial_instruments.pdf

while the Commission reports annually to the European Parliament and Council on financial instruments supported by the general budget, in line with Art.140.8 of the Financial Regulation.

53. (§ 129 - 2016/PAR/0473) The European Parliament calls on DG R&I to explain to Parliament's competent committee which measures it has taken to avoid horizontal reservations concerning the rate of the residual error within cost claims.

Commission's response:

For Horizon 2020, the Commission set out the range of error expected for the programme in the financial statement accompanying the legislative proposal. This expected range of representative error was 2-5%, with an aim to have a residual error as close to 2% as possible by the end of the programme. The representative error rate remains comfortably within the set range, and so no reservation for Horizon 2020 has been made in 2017.

For FP7, the Commission has examined how it can avoid a horizontal reservation, but has concluded that it is not able to do so at the moment. The Commission has identified a number of areas that are not subject to a reserve in FP7 (ERCEA grants, Marie-Curie actions, joint Undertakings). However, the errors identified in (particularly) cooperative grants exist across the programme, and cannot be further isolated.

Nevertheless, the level of expenditure for FP7 will decline sharply of the next two years, so reducing the effect of the reserve.

54. (§ 130 - 2016/PAR/0474) The European Parliament considers that in research and innovation projects as well as coordination and support actions (CSAs), standards and standardisation support the impact of research results on different technology readiness levels (TRLs) as they enhance the marketability and transferability of innovative products and solutions; notes furthermore that standards and related activities support the dissemination of Horizon 2020 project results by spreading knowledge even after projects are finished by making it publicly available; calls on the Commission to enhance the involvement of standardisation in upcoming calls and to develop KPIs which take standardisation activities into account.

Commission's response:

The Commission agrees that standards and standardisation are important in the development of innovative products and solutions, and need to be supported in the research Framework Programmes.

Several calls for proposals from the H2020 2018-2020 Work Programme support standards and standardisation: for example, in the Work Program 2. Future and Emerging Technologies, the call FETHPC-02-2019: Extreme scale computing technologies, methods and algorithms for key applications and support to the HPC ecosystem, states that "where relevant, proposals [for research and innovation actions] should also provide a path towards long-term standardisation of the technologies (e.g. system software architecture, programming models, APIs, etc)."

In the call FETFLAG-03-2018: FET Flagship on Quantum Technologies, a Coordination and Support Action, the call states that proposals should aim at coordinating the relevant stakeholders, notably academia, RTOs and industry participating in the Flagship initiative. In particular "... identify and coordinate relevant standardisation, IPR actions, etc..."

The work program 5. Leadership in enabling and industrial technologies includes the parts of Horizon 2020 providing new opportunities for industrial leadership in Key Enabling Technologies (KETs), ICT and Space. These are areas of key industrial competences determining Europe's global competitiveness, and providing key components and systems needed for solutions to the Societal Challenges. Aiming at new and breakthrough technologies, this part of the programme will contribute to boosting competitiveness, creating jobs and supporting growth. In this work program, activities will develop innovative technologies bringing them closer to the markets, including a progress towards higher Technology Readiness Levels (TRLs). To optimise impact, one of the aspects which should be considered by proposals is that "where standardisation needs are identified, they should be followed up." Standardisation exercises tend to have long time frames, transcending the lifecycle of an individual projects and its reporting obligations. The H2020 innovation radar looks into these issues and aggregates data to that effect. Participant's proposals should define outputs and impacts KPIs accordingly.

Economic, social and territorial cohesion

55. (§ 141 - 2016/PAR/0475) The European Parliament calls on the Commission to duly take into account the remarks of the Court, which found inaccuracies in the analysis of the performance of at least four of the 12 ERDF and ESF financial instruments examined in the 2016 Court's report.

Commission's response:

The inaccurate data in the reporting mentioned in the Court's report does not have any impact on the closure of the concerned instruments. At closure Member States had to certify the effective use of the funds in relation to financial instruments. This expenditure must have been checked by managing and audit authorities before submitting the closure package. Indeed, for a number of operational programmes, the audit authorities expressed limitations to their audit opinions due to the need to finalise their audit work in that respect.

This ongoing audit work covers, among other areas, the disbursements at the level of final recipients. Therefore, the Commission will not close the relevant programmes until reasonable assurance on the amounts effectively disbursed and their eligibility is obtained. Otherwise it will apply required appropriate financial corrections.

56. (§157 - 2016/PAR/0476) The European Parliament underlines that any conclusions with regard to performance remain limited, as this would require a more comprehensive review of performance data reported by 2007-2013 programmes, which was supposed only to be finalised by August 2017; calls on the Commission to inform the Committee on Budgetary Control on the outcome of the review.

Commission's response:

The Commission has finalized its work on 2007-2013 data as presented by Member States in their Final Implementation Reports. The relevant data were included in DG REGIO and DG EMPL's 2017 Annual Activity Report.

57. (§ 165 - 2016/PAR/0477) The European Parliament regrets furthermore that in general only 26,1% of projects were selected, and only 3,7% of the available structural funds absorbed at the end of 2016 and whereas the selection process accelerated in 2017; considers that the slow start may lead to a high number of outstanding commitments at the end of the current financing period; calls on the Commission to guarantee further efforts to strengthen the administrative capacity of national, regional and local authorities.

Commission's response:

Slow absorption in the first years of a programming period reflects the policy cycle. This was also seen in the previous programming periods. For the 2007-2013, almost half of the expenditure was declared only in the last three years of implementation (although almost full absorption was reached by closure). However, the Commission acknowledges that delays in payment declarations are higher in the first years of this programming period compared to the previous one, despite a good rate of implementation on the spot. For ERDF/CF, the absorption rate progressed at 9,6% at the end of 2017 with a selection rate standing

respectively at 52% for ERDF and 60% for CF. For the ESF the absorption rate at the end of 2017 was of 13,8% with a selection rate standing at 50,3%. Selection rates are even better than for 2007-2013 at the same point in time.

Apart from the delayed adoption of the Multi annual Financial Framework (MFF) and of programmes, the Commission sees three features of the 2014-2020 regulations that provide less incentive to Member States for budgetary discipline. First the n+3 automatic de-commitment rule introduced by the co-legislators (compared to n+2 in previous programming period) does not provide an incentive for timely declarations of payments. Member States have more time to submit expenditure to the Commission than in the previous period. However, this automatic de-commitment rule should still contribute to avoid an abnormal payment backlog at the end of the programming period. Secondly, Member States are very cautious due to the introduction of annual accounts and the risk of net financial corrections by the Commission. They seek to carry out all required verifications before they certify expenditure in the accounts. Thirdly, additional time was required at the start of the programming period to put in place new measures that increase the quality and compliance of programmes and projects, such as ex-ante conditionalities or designation.

The Commission reminded Member States about the impetus to declare expenditure at each occasion. The four Commissioners in charge of ESI Funds wrote to the Ministers of Finance in the Member States in the summer to urge them to respect their payment forecasts and claim expenditure.

The Commission services also provide substantial support to Member States' authorities including technical assistance and advisory services (Peer-to-Peer, JASPERS, TAIEX) in order to improve their capacity to implement the Funds and to ensure a robust project pipeline.

Programmes considered at risk or having indicated difficulties are being closely monitored at the level of the management board of REGIO. Action plans are put in place for these programmes and monitored through technical meetings. Support also includes targeted advice and dialogue with national authorities, and closer follows up on implementation in case of identified weaknesses. Action is also taken at Member State level – a Task Force was created for Croatia and a special action plan was developed for Romania.

The Commission will continue to monitor the pace of implementation and to support Member States in removing all remaining bottlenecks.

58. (§ 178 - 2016/PAR/0478) The European Parliament [welcomes the fact that the European Anti-Fraud Office (OLAF) has completed its administrative investigation into the Czech “stork nest” project]; calls on DG REGIO to recover the Union co-financing involved, i.e. EUR 1,67 million, and to apply necessary sanctions.

Commission's response:

The withdrawal of the project and expenditure concerned from the operational programme, as proposed by the Commission, has been accepted by the Czech authorities and the closure letter has been sent accordingly. The Union co-financing will therefore not cover the corresponding expenditure.

59. (§ 180 - 2016/PAR/0479) The European Parliament is concerned at the Commission's observation that the share of awarded contracts that received only a single bid is in Hungary at 36%; notes that the Union average is 17%; calls on the Commission to promote competition in bidding processes.

Commission's response:

DG REGIO contacted the Hungarian authorities and asked for more information in relation to procurements financed by ERDF and the Cohesion Fund (i) on the share of single bidding in the different sectors of public procurement, above and below EU threshold, (ii) on the particularly successful companies in both single and non-single bidding procedures, (iii) on what steps the Managing Authorities have taken in order to encourage market entry and enhance competition, and (iv) if any companies have been excluded from submitting bids, due to earlier involvement in collusion or corruption.

In their reply, the Hungarian authorities provided various sets of data describing the share of single bidding in public procurements. These data suggest that EU co-financed public procurements in the 2014-2020 programming period were less affected by single bidding than the Hungarian average. Hungary also claimed that a number of measures are taken in order to ensure the legality of public procurements co-funded by the EU and that appropriate provisions safeguard that companies involved in collusion or corruption are banned from submitting bids. The reply can be evaluated on the merit further once the results of the follow-up study below are available.

2. Follow-up study on single bidding in the 10 most affected MS; the study will be presented to the Commission by November 2018.

A detailed analysis in selected countries will be done in order to explore the extent and reasons for single bidding and other non-competitive outcomes such as high market concentration or when bidders rotate the winner pretending there is a competition. Based on the analysis, a list of the most successful single-bidders per country in the most relevant sectors in the EU co-funded projects should be made available, together with the possible reasons behind the patterns. The analysis should firstly focus on single bidding and secondly, within that context, to what extent the use of disproportionate and discriminatory selection criteria plays a role.

The analysis should be done for EU co-funded projects (ERDF/Cohesion Fund).

60. (§ 181 - 2016/PAR/0480) The European Parliament welcomes the positive assessment of the 10 years' Cooperation and Verifications Mechanism (CVM) for Bulgaria and Romania; is worried about the recent step backwards in the fight against high level corruption in Bulgaria and Romania; calls on the Commission to support and encourage the law enforcement and anti-corruption authorities in both Member States.

Commission's response:

The Commission continues its cooperation with both BG and RO in the context of the Cooperation and Verification Mechanism. The January 2017 report set out a limited number of key recommendations which the Commission considered should provide a sufficient basis for concluding the mechanism, provided there was not

significant backtracking on already achieved progress. In November 2017 the Commission reported on progress made during the first 9 months of 2017. The November reports state that the Commission will assess progress again towards the end of 2018.

61. (§ 204 (a) - 2016/PAR/0481) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

a) creating EU added-value with cohesion policy.

Commission's response:

In the current programming period, the Commission checks the EU-added value at different stages of the programme cycle. First of all, at the stage of programme design, the Commission's Impact Assessments verify whether Member States alone could resolve a problem sufficiently; whether the EU has the competence to act (i.e. a legal basis), and would be best placed to do so (principle of subsidiarity). The added value of EU interventions is also looked at by the co-legislators when approving the financial programmes under the Multi annual Financial Framework.

When it comes to the selection of individual projects under shared management, any assessment of EU-added value is indeed the responsibility of Member States. It is up to the Commission to monitor whether programme implementation is in line with the funding priorities agreed with the Member States. Then at the stage of evaluating programme performance, EU-added value is one of the mandatory assessment criteria applied to all Commission evaluations under the Better regulation Guidelines . Under this criterion it is assessed whether programme action continues to be justified at the EU level.

In the future, the Commission will continue to pay attention to the EU added value.

As far as Cohesion policy is concerned, post 2020 proposals for the 2021-2027 programming period have been adopted by the Commission on 29 May 2018.

These proposals focus the resources on 5 policy objectives, where the EU is best placed to deliver:

- 1) a Smarter Europe, through innovation, digitisation, economic transformation and support to small and medium-sized businesses;*
- 2) a Greener, carbon free Europe, implementing the Paris Agreement and investing in energy transition, renewables and the fight against climate change;*
- 3) a more Connected Europe, with strategic transport and digital networks;*
- 4) a more Social Europe, delivering on the European Pillar of Social Rights and supporting quality employment, education, skills, social inclusion and equal access to healthcare;*
- 5) a Europe closer to citizens, by supporting locally-led development strategies and sustainable urban development across the EU.*

More details on Commission proposals are available at https://ec.europa.eu/commission/publications/regional-development-and-cohesion_en

62. (§ 204 (b) - 2016/PAR/0482) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

b) building stronger coordination between cohesion, economic governance and the European semester considering, among others, positive incentives to strengthen achievement of cohesion policy objectives for overcoming disparities and inequalities as spelled out in the Treaties, within its three dimensions - economic, social and territorial.

Commission's response:

Cohesion policy alignment with EU economic governance has been instrumental for its contribution to all elements of the economic policy strategy of the virtuous triangle of investment, structural reforms and responsible public finances. In the 2014-2020 programming period, the policy is key, through its ex-ante conditionalities, to the creation of favourable legislative and structural conditions for ensuring sound investments on the ground which has created positive spill-over effects. It has, through its macroeconomic conditionalities, created an additional stimulus for sound macroeconomic policies.

As far as Cohesion policy is concerned, the Commission adopted its proposal for the for the 2021-2027 programming period on 29 May 2018.

The Commission's proposals provide for a strengthened link with the European Semester and the Union's economic governance. This will contribute to a growth-friendly environment in Europe, so EU as well as national, regional and local investments can deliver their full potential. It will also ensure full complementarity and coordination with the new, enhanced Reform Support Programme.

The 'enabling conditions' continue the approach of the ex-ante conditionalities introduced for the 2014-2020 funding period. There are some 20 conditions proposed, which correspond to roughly half of the number of conditionalities in the previous period. They cover similar thematic areas as in 2014-2020, like energy efficiency, and still include smart specialisation strategies to guide investments in research and innovation. There are also four horizontal enabling conditions in the area of public procurement, state aid and in relation to the application of the European Charter of Fundamental Rights and the United Nations Convention on Persons with Disabilities.

The European Semester's Country-Specific Recommendations will be taken into account twice throughout the 2021-2027 period: first as a roadmap for the programming of the funds and the design of Cohesion Policy programmes, at the beginning of 2021-2027. Then, the most recent Country-Specific Recommendations will also guide a mid-term review of the programmes in 2024, to adjust to new or persistent challenges. Over the course of the period, Member States should regularly present to the Commission their progress in implementing the programmes in support of the Country-Specific Recommendations.

Macroeconomic conditionality is kept to ensure EU investments operate in a sound fiscal environment. Under the first strand of the macroeconomic conditionality the Commission may require reprogramming based on CSRs applicable to the investments. Under the second strand, when a Member State fails to take effective or corrective action in the context of key EU economic governance mechanisms (Excessive Deficit Procedure, Excessive Imbalance Procedure) or fails to implement the measures required by a stability support programme, the Commission shall make a proposal to the Council to suspend all or part of the commitments or payments for one or more of the programmes of a Member State. However the Commission may, on grounds of exceptional economic circumstances or following a reasoned request by the Member State concerned, recommend that the Council cancels the suspension.

More details on Commission proposals are available at https://ec.europa.eu/commission/publications/regional-development-and-cohesion_en

63. (§ 204 (c) - 2016/PAR/0483) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

c) devising a system which allows concentration of cohesion funding on regions which need it most.

Commission's response:

In the context of the preparation of the post 2020 period, the Commission has reflected on how cohesion policy could enhance its capacity to tackle the long term challenges of lagging regions, while supporting the economic and social reconversion of regions at risk and be more adaptable to respond flexibly and speedily to new challenges which could affect all regions. The allocation method for funding should allow capturing with a high degree of granularity specific situations and needs at regional level.

Post 2020 proposals for the 2021-2027 programming period of cohesion policy have been adopted by the Commission on 29 May 2018. The Commission's proposals provide for more flexibility in the design of individual EU programmes, in order to better tailor them to specific regional needs:

- Investing in all regions: Regions still lagging behind in terms of growth or income – mostly located in the South and East of Europe – will keep benefiting from important EU support. Altogether 75% of the resources available is dedicated to the less developed territories (Cohesion Fund and ERDF taken together). Cohesion Policy will continue investing in all regions, as many of them across Europe – including in richer Member States – struggle to achieve industrial transition, fight unemployment and hold their own in a globalised economy. The 2021-2027 framework also creates the European Urban Initiative, a new instrument for city-to-city cooperation, innovation and capacity-building across all the thematic priorities of the Urban Agenda for the EU (integrating migrants, housing, air quality, urban poverty or energy transition, among others).

- A tailored approach: Cohesion Policy keeps 3 categories of regions: less-developed, transition and more developed regions. To reduce disparities and help low-income and low-growth regions catch up, GDP per capita remains the predominant criterion for allocating funds. In addition, new criteria aim at better reflecting the reality on the ground – youth unemployment, low education level, climate change and the reception and integration of migrants.

- Locally-led: The 2021-2027 Cohesion Policy stands for a Europe that empowers, by supporting locally-led development strategies. Local, urban and territorial authorities will be more involved in the management of EU funds, while increased co-financing rates will improve ownership of EU-funded projects in regions and cities.

64. (§ 204 (d) - 2016/PAR/0484) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

d) providing strategic administrative support for those regions finding it difficult to absorb the funding.

Commission's response:

Administrative capacity building has been reinforced in the proposed legal framework for cohesion policy for the 2021-2027 programming period adopted on 29 May 2018.

First of all, capacity building is a horizontal objective and may be supported under any specific objectives provided that it is necessary for the effective implementation of the funds. On top of the technical assistance delivered through a simplified flat rate method (no administration linked to real cost accounting base) Member States may also propose comprehensive roadmaps to tackle weaknesses in a particular area in form of developing and agreeing with the Commission financing not linked to costs schemes. Payments for such schemes will be carried out according to pre-agreed deliverables or conditions being fulfilled.

In the context of the newly proposed Reform Support Programme, the Technical Support Instrument will continue to provide technical support to help Member States design and implement reforms and to improve their administrative capacity. It will build on the experience of the Structural Reform Support Programme (SRSP). The new instrument will be available to all Member States and will have a budget of EUR 840 million.

65. (§ 204 (e) - 2016/PAR/0485) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

e) drafting a single set of rules for structural funds.

Commission's response:

The Commission committed to reduce complexities for beneficiaries in the preparation of its post 2020 legislation. In that context it has considered additional scope to ensure policy coherence.

Post 2020 proposals for the 2021-2027 programming period of cohesion policy have been adopted by the Commission on 29 May 2018. The Commission has proposed one single rulebook for 7 EU funds implemented in shared management: the European Regional Development Fund, the Cohesion Fund, the European Social Fund+, the European Maritime and Fisheries Fund, the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.

Specific regulations will add certain provisions necessary to cater for the particularities of individual funds, in order to take into account their different rationale, target groups and implementation methods.

This single rulebook will make life easier for both programme managers and beneficiaries. It will also facilitate synergies, for example between the European Regional Development Fund and the European Social Fund+ in the context of integrated city development plans, for the regeneration of deprived urban areas.

In addition, new provisions also allow for simpler synergies with other instruments from the EU budget toolbox, such as the Common Agricultural Policy, the innovation programme Horizon Europe, the EU instrument for learning mobility Erasmus+ and LIFE, the programme for environmental and climate action. Transfer possibilities towards centrally managed instruments and among shared management funds covered by the CPR as well as contributions to the InvestEU will also be implemented in line with a single set of rules being applied – those of the centrally managed instruments.

66. (§ 204 (f) - 2016/PAR/0486) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

f) making progress towards implementing the single audit principle.

Commission's response:

Single audit, meaning that one control level can rely on the lower control level once all controls are performed under a coherent, shared framework, is the objective of the Commission in its relations with audit authorities. The Regulation 2014-2020 provides the necessary grounds to further develop single audit approach. In addition, the Regulation provides for further measures on proportional control arrangements and reinforces the possibilities for the Commission to limit its own on-the-spot audits for operational programmes for which it concludes that the opinion of the audit authority is reliable. In order to implement these regulatory provisions in the most efficient way, the 2014-2020 Single Audit Strategy was agreed by REGIO, EMPL and MARE for a robust and coordinated control and audit framework between the Commission and the Member States.

The Commission continuously provides to the audit authorities revised audit methodology and sampling techniques to reduce the audit burden without impacting the assurance provided. As a consequence, the audit authorities have been able to provide the necessary assurance by auditing on average around 30% of expenditure certified each year to the Commission. As far as Commission's own

audit work is concerned, it follows a risk approach at programme and audit authority levels, to avoid duplication audits.

However duplication of control is often perceived between management verifications carried out by managing authorities and audits carried out by audit authorities and EC-ECA auditors. In that regard some repetition of audit is inherent since the purposes are different: in one case ex ante controls to authorise payments – for managing authorities and their intermediate bodies- and in the second case ex post controls to test whether the first level controls did function effectively to avoid remaining material levels of errors in the expenditure declared to the Commission.

The regulatory proposal for the 2021-2027 programming period of cohesion policy has been adopted by the Commission on 29 May 2018. The Commission has proposed in that context to extend the single audit arrangements. In addition to the existing restrictions to carry out more than one audit by operation, for programmes with a well-functioning management and control system and a good track record (i.e. low error rate), the Commission proposes to rely more on the national control procedures in place.

Furthermore, the above proposal also gives the explicit possibility to use the information and results from the management verifications (first level controls) in the audit work, reducing herewith the control burden for the beneficiaries.

67. (§ 204 (g) - 2016/PAR/0487) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

g) faster implementation of programmes and projects, with a view to respecting the seven year financial period (no n+3).

Commission's response:

Spending discipline is necessary for an effective implementation of the EU budget. Transitional arrangements and overlapping periods are needed in order to ensure a smooth continuation of the policies and better programme implementation. The additional time granted to claim funds in the 2014-2020 period (from the n+2 rule to the n+3 rule) has provided more flexibility to implement programmes and ensure the achievement of policy goals, although it has also provided less incentives for national administrations to claim expenditure quickly. This may be considered one of the main causes for slow absorption so far.

Post 2020 proposals for the 2021-2027 programming period of cohesion policy have been adopted by the Commission on 29 May 2018. The new framework includes a return to the n+2 (years) rule as opposed to the n+3 rule applicable in 2014-2020. This will happen gradually to ensure adequate room for adjustment while leading to tighter financial management. The roll-over arrangement and continuity, with the possibility of phasing 2014-2020 projects into the new period, will allow for a quick start the programming period, making it easier to manage programmes successfully against the decommitment rule.

For the same purpose, the amounts of pre-financing have also been reduced and will now constitute 0.5% of the programme resources to be paid each year except for 2027, the final year of the new funding period.

68. (§ 204 (h) - 2016/PAR/0488) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

h) enabling national audit authorities to audit financial instruments under the EU budget, reduce the number of financial instruments, and introduce more stringent rules for reporting by funds managers, including by the EIB Group and other international financial institutions regarding performance and results achieved, thereby enhancing transparency and accountability.

Commission's response:

A regulatory proposal for the 2021-2027 programming period of cohesion policy has been adopted by the Commission on 29 May 2018. The experience shows that grants are not the only delivery mode to address the significant investment gaps. They can be efficiently complemented by financial instruments, which have a leverage effect and are closer to the market. On a voluntary basis, Member States will be able to transfer a part of their Cohesion Policy resources to the new, centrally managed InvestEU fund, to access the guarantee provided by the EU budget. Combining grants and financial instruments is made easier and the new framework also includes special provisions to attract more private capital. Furthermore, with the amendment of the CPR (see Omnibus Regulation) the Commission clarifies the audit obligations in case of financial instruments implemented by the EIB Group or other international financial institutions. These clarifications ensure that the audit authority has sufficient information / audit results in order to issue an audit opinion on the legality and regularity of implementation of such financial instruments.

69. (§ 204 (i) - 2016/PAR/0489) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

i) taking into account lessons drawn from the current period and the need for more simplification in order to establish a balanced system ensuring achievement of results and sound financial management without an excessive administrative burden that would discourage potential beneficiaries and lead to more errors.

Commission's response:

The Commission agreed to reconsider design and delivery mechanisms of ESI funds with a view of enhanced simplification in its draft post 2020 regulation. It also notes that the proposed amendment of the Common Provisions regulation agreed by the legislators and applicable since 2 August 2018 works in that direction.

Post 2020 proposals for the 2021-2027 programming period of cohesion policy have been adopted by the Commission on 29 May 2018. Simplification has been the Commission's guiding principle in the preparation of these new Cohesion Policy rules. In that context, for businesses and entrepreneurs benefiting from EU

support, the new framework offers less red tape, with simpler ways to claim payments using simplified cost options. To facilitate synergies, a single rulebook now covers 7 EU funds implemented in partnership with Member States. The Commission also proposes lighter controls for programmes with good track record, with an increased reliance on national systems and the extension of the “single audit” principle, to avoid duplication of checks.

The Commission's proposal for the future Cohesion Policy rules aims to strike the right balance between accountability, simplification and performance. Even with lighter procedures, the Commission will continue to have very strict rules for the sound management of EU funds. National authorities will need to establish their own audit strategies. In addition, there will still be a minimum audit arrangement between the Commission and Member States for assurance purposes.

70. (§ 204 (j) - 2016/PAR/0490) "The European Parliament calls therefore on Member States and the Commission to pay more attention, under the post 2020 financial period, to:

j) the geographic and social balance to ensure that investments are made where they are most needed.

Commission's response:

The Commission refers to its reply provided for recommendation 2016/PAR/0483.

71. (§ 206 (a) and (b) - 2016/PAR/0491) "The European Parliament calls on DG REGIO:

a) to report back to Parliament's responsible committee about the different pending OLAF files when related legal proceedings have been completed.

b) to report back to Parliament's responsible committee, in the 2016 Commission discharge follow-up, on progress made with all above-mentioned projects.

Commission's response:

DG REGIO will report to Parliament's responsible committee about the different pending OLAF files in which REGIO funds are involved when related legal proceedings have been completed and, in the 2016 Commission discharge follow-up, on progress made with those projects.

DG REGIO will report on these in its Annual Activity Report and it will concentrate on administrative and financial follow up within the competence of programming authorities.

72. (§ 208 - 2016/PAR/0492) The European Parliament calls on the Commission to encourage the use of the simplified cost options introduced by the "Omnibus" Regulation.

Commission's response:

The Commission has already taken steps in this direction. As of the end of last year, it has already started promoting SCOs in the framework of Omnibus changes. Several specific events have already been organized as well as training sessions.

The Commission services offered support to Member States' authorities and made use of tools such as Peer-to-Peer, TAIEX to improve the uptake of SCOs to help Member States to overcome some persisting reluctance towards their use. Omnibus changes have already been presented and discussed with several Member States. New potential arising from the SCO provision in the Omnibus has been promoted. Member States acknowledge such potential and

Following the results of a survey carried out end of last year on the use and intended use of SCOs, it already prepares a targeted approach to Member States and regions to assist national authorities in designing and implementing SCOs and further increase their use.

In this respect the Commission intends to organize new promotional events on SCOs as well as further training sessions following adoption of the Omnibus fully utilizing existing tools for SCO promotion.

Finally, the Commission intends to establish a network on simplification to promote and support the exchange of experience and practice at EU level among SCO practitioners in Member States.

73. (§ 209 - 2016/PAR/0493) The European Parliament calls on DG EMPL to put in place the recommendation of the Internal Audit Service (IAS) with regard to the early implementation of the control strategy for the European Structural Investment Fund (ESIF) and to inform the Parliament of its completion.

Commission's response:

Nine out of the eleven IAS recommendations have already been implemented by the ESIF DGs.

The audits on financial instruments will only take place in 2019.

The recommendation on the re-assessment of the impact of any new DAS methodology on sharing and pooling of audit resources will be implemented by 31.12.2018.

The implementation of the recommendations by the ESIF DGs will be assessed by the Internal Audit Service in due course.

74. (§ 210 - 2016/PAR/0494) The European Parliament calls on the Commission to provide for further simplification of the rules and a reduction of the administrative burden in order to help decrease the error rate even more.

Commission's response:

The Commission agreed to reconsider design and delivery mechanisms of ESI funds with a view of enhanced simplification in its draft post 2020 regulation. It also noted that the proposed amendment of the Common Provisions regulation agreed by the legislators and applicable since 2 August 2018 works in that direction.

Post 2020 proposals for the 2021-2027 programming period of cohesion policy have been adopted by the Commission on 29 May 2018. Simplification has been the Commission's guiding principle in the preparation of these new Cohesion Policy rules. In that context, for businesses and entrepreneurs benefiting from EU

support, the new framework offers less red tape, with simpler ways to claim payments using simplified cost options, for instance fixed costs and estimates for staff, insurance or rent expenses. It also offers reimbursement on the basis of results achieved. It means a drastic reduction in administrative costs and less paperwork.

Regarding the error rate, the revised framework for 2014-2020 period with the annual assurance and acceptance of accounts ensures a lasting reduction of the amount of residual errors affecting the Union's budget, due to the obligation to take corrective actions during the year. The objective to bring down the level of residual error below the materiality threshold had been already met regarding the set of accounts received in February 2016 and was confirmed regarding the set of accounts received in February 2017 and February 2018, as detailed in the respective Annual Activity Reports of DG REGIO and DG EMPL.

For post 2020 programming period, the Commission also proposes lighter controls for programmes with good track record, with an increased reliance on national systems and the extension of the “single audit” principle, to avoid duplication of checks.

Natural resources

75. (§ 220 (In connection with § 244 from Part XVII - SR 7/2017, § 315 (a), 316, 323 from Part XXV - SR 16/2017) - 2016/PAR/0495) The European Parliament calls on the Commission to provide for a genuine simplification of the [payment] procedure, including in the documentation requested in order to have access to funding, without neglecting the principles of control and monitoring; calls for special attention to be paid to administrative support for small-scale producers, for whom the funding is a vital prerequisite for their business survival.

Commission's response:

Under shared management it is for the Member States to organise and manage the system of disbursing payments to individual beneficiaries, so the Commission cannot accept this recommendation. Member States put in place payment procedures in line with the applicable national legal framework. The Commission is encouraging simplification and reduction of administrative burden, for example by promoting the use of simplified cost options as an efficient tool for implementing investment measures. In addition, with the new delivery model proposed in the draft regulation on CAP Strategic Plan (COM(2018)392), the EU requirement framework will be less prescriptive, less complex and less details, which will give the opportunity to MS to simplify their own procedures.

In a systemic way, for the CAP post 2020 the Commission proposed solutions for better targeting of support, which could benefit small-scale producers.

76. (§ 231 - 2016/PAR/0496) The European Parliament regrets the recent cases of fraud relating to paying agencies in Italy; calls on the Commission to actively monitor the situation and provide the relevant details to Parliament in the follow-up to the discharge procedure.

Commission's response:

DG AGRI is following the implementation of the Action Plan by the Italian Paying Agency AGEA which aims to improve the recovery from individual beneficiaries. DG AGRI applies financial corrections when necessary.

77. (§ 232 - 2016/PAR/0497) The European Parliament asks the Commission to speed up the conformity clearance procedure opened on 8 January 2016 to get detailed and precise information on the risk of conflicts of interest concerning the State's Agricultural Intervention Fund in the Czech Republic; asks the Commission to inform the Parliament without delay if at the end of the conformity clearance procedure information related to possible cases of fraud, corruption or any illegal activity affecting the financial interests of the Union are transmitted by OLAF to DG AGRI.

Commission's response:

The conformity clearance procedure was completed respecting the administrative deadlines applicable to each step. Following a thorough examination, DG AGRI auditors did not find any evidence of financial risk to the CAP funds materialising from the potential conflict of interest situation. The Commission also took into account that the Member of the Supervisory Board concerned has resigned. As the

potential risk to the EU budget did not materialise a financial correction was not proposed in the context of this enquiry. It was strongly recommended to the Czech authorities to ensure that such a situation does not reoccur in the future.

78. (§ 252 (a) (In connection with § 217, § 254 (d), § 272 (a), (c), (d) from Part XX - SR 10/2017, § 318, § 319, § 320, § 321 from Part XXV - SR 16/2017) - 2016/PAR/0498) "The European Parliament calls on:

a) the Commission to carefully analyse the causes of the overall decline in factor income since 2013 and to define a new key performance objective for the next MFF, accompanied with outcome and impact indicators, aiming at mitigating the income inequalities between farmers.

Commission's response:

The Commission is currently carrying out an evaluation of the impact of the CAP on viable food production. The evaluation analyses i.e. the level, stability and distribution of agricultural income and the way these are influenced by the CAP. The results of this evaluation will be available by the end of 2018.

In the legislative proposal on the CAP Strategic Plan adopted on 01/06/2018 (COM(2018)392, Art. 6), the Commission proposes the specific objective "Support viable farm income and resilience across the Union to enhance food security". This objective is monitored by the following impact indicators (annex 1): I.2 Reducing income disparities: Evolution of agricultural income compared to general economy

I.3 Reducing farm income variability: Evolution of agricultural income

I.4 Supporting viable farm income: Evolution of agricultural income level by sectors (compared to the average in agriculture)

I.5 Contributing to territorial balance: Evolution of agricultural income in areas with natural constraints (compared to the average)

79. (§ 252 (c) (In connection with § 252 (b)) - 2016/PAR/0499) "The European Parliament calls on:

c) the Commission to review the approach taken by paying agencies to classifying and updating land categories in their LPIS and to perform the required cross-checks in order to reduce the risk of error in greening payments.

Commission's response:

The Commission considers this recommendation implemented. The Commission is continuously working with the Member States to ensure their LPIS systems are updated, in line with the requirements set out in EU law. The Commission will protect the EU budget by launching conformity clearance procedures, where necessary.

The regulatory quality assessment (QA) which Member States must carry out of their LPIS is actively followed-up by DG AGRI to ensure that Member States take the remedial actions required to meet the quality standards that are considered appropriate, in view of the fundamental role played by the LPIS in ensuring correct claims and payments. Moreover, an assessment of the correct application

of the LPIS QA method will continue to be included in the conformity clearance procedure.

80. (§ 252 (d) - 2016/PAR/0500) "The European Parliament calls on:

d) the Commission to take appropriate measures to require that Member States' action plans in rural development include remedial actions addressing frequently found cases of error.

Commission's response:

The Commission considers that the recommendation is implemented. The action plans must contain remedial actions to address the deficiencies identified by DG AGRI. The completeness and implementation of these action plans is closely monitored by the Commission.

81. (§ 252 (e) - 2016/PAR/0501) "The European Parliament calls on:

e) the Commission to provide guidance and disseminate best practices among national authorities, and among the beneficiaries and their associations, to ensure that their checks identify links between applicants and other stakeholders involved in supported projects of rural development.

Commission's response:

The Commission regularly offers guidance and disseminates best practices. The Commission is planning to participate in IT-based project which allows detecting links between different entities. It is planned to offer access to Paying Agencies for checks linked to claim year 2019.

82. (§ 252 (f) (In connection with § 235, § 237 from Part XVII - SR 7/2017) - 2016/PAR/0502) "The European Parliament calls on:

f) the Commission to continue to be vigilant as to the checks performed and the data communicated by the Member States' authorities, and to take these findings into account when allocating its audit burden based on risk-evaluations.

Commission's response:

The Commission considers that the recommendation is implemented as it is a continuous task of the Commission to ensure the protection of the EU budget. The Commission considers that the data reported by the Member States is reliable and reflects the errors detected by the Member States' management and control systems. It is taken into account by DG AGRI when planning its audits. The error rates are low, as confirmed by the Court of Auditors, which proves that the existing assurance structure yields good results and the systems are generally reliable.

83. (§ 252 (h) (In connection with § 243, § 341 from Part XXVIII - SR 21/2017) - 2016/PAR/0503) "The European Parliament calls on:

h) the Commission to prepare and develop, for the next CAP reform, a complete intervention logic for EU environmental and climate-related action regarding agriculture, including specific targets and based on an up-to-date scientific understanding of the phenomena concerned.

Commission's response:

The draft regulation on CAP Strategic Plan (COM(2018)392) adopted on 01/06/2018 contains a new green architecture, consisting of a new system of "conditionality" that will link all farmers' income support (and other area-/animal- based payments) to the application of environment- and climate-friendly farming practices; "eco-schemes" funded by the CAP's Pillar I budget and payments within support for rural development – CAP Pillar II – for various kinds of management commitments. The new green architecture will operate within the framework of the CAP's "new delivery model", according to which basic rules are set at EU level and substantial flexibility is left to Member States with regard to how to implement them. For each element of the future green architecture, Member States will set out in their draft CAP strategic plans what their intervention logic would be. It will be performance-based, with clear indicators as regards agri—environment. The Commission will assess these proposals.

84. (§ 253 (a), (b) and (c) (In connection with § 340, § 342, § 343, § 344 from Part XXVII - SR 21/2017) - 2016/PAR/0504) "The European Parliament calls on the Commission to be guided by the following principles in the building of a new proposal concerning greening:
- a) Farmers should benefit from CAP payments if they meet a single set of basic environmental norms including GAECs and greening requirements which go beyond the requirements of environmental legislation; welcomes in this regard the logic of the Commission's ""budget focused on results"" approach; considers that a future delivery system should be more results-driven.
 - b) Specific, local environmental and climate-related needs can be appropriately addressed through more effective targeted programmed action regarding agriculture.
 - c) When Member States are given options to choose from in their implementation of the CAP, they should be required to demonstrate, prior to implementation, that the options they select are effective and efficient in terms of achieving policy objectives, and in particular those of food safety, food quality and their impact on health, greening, land and countryside management and the fight against depopulation in the EU.

Commission's response:

The new environmental architecture for the future CAP proposed by the Commission includes under conditionality, a basic layer of requirements in particular environmental requirements. The list of conditionality requirements carries over the current standards of good agricultural and environmental standards (GAEC) and statutory management requirements (SMRs). The current greening requirements are added in the new list in a streamlined and more focused form.

Under this proposal, specific and local environmental and climate needs are addressed by more targeted measures, which are designed beyond conditionality and may be funded by Pillar I (eco-schemes) or Pillar II (measures for environmental and climate commitments).

Member States will describe conditionality and other CAP measures in their CAP strategic plans, which will be submitted to the Commission for approval. The CAP plans shall set the targets for each of the objectives of the CAP and demonstrate how these targets will be achieved with the instruments designed at national level. This will ensure that the CAP will be more performance and results-oriented.

85. (§ 254 (a), (b) and (c) (In connection with § 270 from Part XX - SR 10/2017) - 2016/PAR/0505) "The European Parliament calls on the Commission:

a) to perform a comprehensive evaluation of all the existing CAP policies and tools which can be combined to help young farmers and to identify the obstacles to providing access to existing farms or establishing new farms for young farmers which can be addressed in the future revision of the CAP.

b) to make sure that, as a component of agricultural reform, further improvements are made to the rural-development framework as set forth inter alia in the Cork 2.0 Declaration, with a view to ensuring that the support programmes for young farmers are a success.

c) to insert in the legislation for the post-2020 CAP (or require Member States to indicate, in line with the shared management provisions) a clear intervention logic for the policy instruments addressing generational renewal in agriculture; the intervention logic should include:

- a sound assessment of young farmers' needs;
- an assessment of which needs could be addressed by EU policy instruments and which needs can be or are already better addressed by Member States' policies as well as an analysis of which forms of support (e.g. direct payments, lump sum, financial instruments) are best suited to match the identified needs;
- awareness-raising measures, targeted at authorities, beneficiaries and their associations, concerning possible types of assistance for earlier transfer of a farm to a successor with accompanying advisory services or measures like a satisfactory retirement scheme based on national or regional income or revenues in the agricultural, food and forestry sector;
- a definition of SMART objectives,

making explicit and quantifiable the expected results of

the policy instruments in terms of the expected generational renewal rate and contribution to the viability of the supported holdings; in particular, it should be clear if the policy instruments should aim at supporting as many young farmers as possible or target a specific type of young farmers.

Commission's response:

The Commission considers that the recommendation is implemented. The proposals for the reform of the Common Agricultural Policy, and in particular Article 69 of the proposal for a Regulation (2018)392 final defines the rules for installation support of young farmers and rural business start-up.

See reply for recommendation 2016/PAR/0424.

On June 26, 2018, a kick off meeting for study Evaluation of the impact of the CAP on generational renewal, local development and jobs in rural areas was organised. A range of questions was asked on a proper understanding of the scope of the evaluation (clarifications, comments to the ESQs, etc.). Among others, the Commission clarified that generational renewal is the centre of the concern of this evaluation.

During 2016 and 2017, several legal simplification for the business start-up support for young farmers were proposed by DG AGRI, with the major simplification initiative proposed through the Omnibus Regulation

The future measures for young farmers will operate in the framework of the new delivery model, where the EU will set the legal framework needed to ensure fund implementation in line with common CAP objectives. The EU framework will define the EU common objectives (general and specific ones), the types of interventions and the safeguards to guarantee the ambition of the policy and a level playing field. Based on a needs assessment, Member States will design and develop the interventions together with corresponding budget allocations and specific requirements (e.g. eligibility criteria, support rate) and will establish quantifiable targets in the CAP Plan.

Global Europe

86. (§ 273 (a) - 2016/PAR/0506) "The European Parliament calls on DG NEAR (Court's annual report 2016, paragraph 9.37):

a) to work together with the audit authorities in IPA II beneficiary countries to improve their competence.

Commission's response:

The Commission is actively taking steps to solve the remaining issues by facilitating the training of audit authorities' staff. The Commission is also giving guidance concerning audit methodology, including supervision and planning. The Commission finalized a quality review of audit work performed by each audit authority over the last 2 years in order to propose recommendations to address deficiencies. In order to monitor progress and discuss the next steps, the Commission met each Audit Authority during the seminar for the IPA Audit Authorities that took place in Zagreb on 30-31.05.2018 and during the entrustment audit missions. The Commission also organised several TAIEX multi-country workshops (06-07.07.2016 in Tirana, 24-25.10.2017 in Skopje) to share best practices as regards the auditing of IPA funds. The Commission Delegations have signed twinning and technical assistance contracts aimed at strengthening the audit authorities' capacity.

87. (§ 273 (b) - 2016/PAR/0507) "The European Parliament calls on DG NEAR (Court's annual report 2016, paragraph 9.37):

b) to develop risks indices to improve the assessment based on internal control templates that the directorate general had rightly introduced so as to better measure the impact of errors.

Commission's response:

DG NEAR has included in its 2017 AAR risk indices by Internal Control Template (Grant, procurement, BS, IMEE, IMBC IPA) in order to fine tune the RER and focus controls on the most risky areas.

88. (§ 273 (c) - 2016/PAR/0508) "The European Parliament calls on DG NEAR (Court's annual report 2016, paragraph 9.37):

c) to disclose properly the scope of the residual error rate study and the estimated lower and upper error limits in its next AAR.

Commission's response:

DG NEAR has disclosed in its 2017 AAR the scope of the RER study and the estimated lower and upper error limits.

89. (§ 273 (d) - 2016/PAR/0509) "The European Parliament calls on DG NEAR (Court's annual report 2016, paragraph 9.37):

d) to improve the calculation of the 2017 corrective capacity by addressing shortcomings identified by the Court.

Commission's response:

DG NEAR has put in place additional controls in order to improve the calculation of the 2017 corrective capacity and address shortcoming identified by the Court. The results of the calculation have been included in the 2017 AAR.

90. (§ 275 - 2016/PAR/0510) The European Parliament calls on the Commission to take the necessary measures to redress the deficiencies detected by its own Internal Audit Service regarding DG DEVCO performance reporting and to transform the EAMR into a reliable and fully public document properly substantiating the declaration of assurance made by the heads of delegation and by the director general of DG DEVCO; asks DG DEVCO to define KPIs in such a way that make it possible to measure the performance of the development cooperation policy; and to do so without compromising EU diplomatic policy via its delegations.

Commission's response:

The Commission is taking the requested action and has notably taken all the necessary measures in order to address the recommendations made by the IAS following the internal audit on the "Performance management system in DG DEVCO". An important part has already been implemented, while the remaining parts are currently being addressed, with target dates agreed with IAS until end of 2018. The implementation of some of the recommendations is dependant on the development of the new IT system 'OPSYS'.

Amongst the IAS recommendations already fulfilled in 2017, and which support an increased reporting on performance on the development policy by the EU Delegations, the following achievements could be listed: enhancement of the EAMRs' section on reporting on progress towards the achievement of the objectives defined in the Management Plans; fine-tuning of existing KPIs (% of timely completion of annual audit plans for year N-1 and N-2) or creation of new indicators and/or KPIs ("% of payments respecting the contractual time limits"); enhancement of KPIs 5 and 6 on project management. Amongst the IAS recommendations that are still ongoing in 2018, with an agreed deadline for 31 December 2018, the following are currently ongoing and underpin the performance reporting of the Delegations: revision of strategic documents (Strategic Plan 2016-2020 of DG DEVCO); the revision of the Result Framework; definition of new indicators/ KPIs (new indicators measuring the "% of projects that were completed during the year"; "% of timely follow-up action of audit ineligible").

Building on the commitment taken by the Commissioner Mimica during the hearing for the discharge in 2017, DG DEVCO transmitted in April 2018 the EAMR reports of the EU Delegations covering year 2017 to the European Parliament under a fully transparent procedure.

91. (§ 277 - 2016/PAR/0511) The European Parliament stresses that trust funds should be established only when their use is justified and the required action is not possible through other, existing financing channels; calls, in this regard, on the Commission, when establishing trust funds, to set up guiding principles for carrying out concise and structured assessment of the comparative advantages of trust funds relative to other aid vehicles and also to carry out analyses of what specific gaps the trust funds

are supposed to fill; calls furthermore on the Commission to consider putting an end to trust funds that are unable to attract a significant contribution from other donors or that do not provide an added value as compared to ‘traditional’ EU external instruments.

Commission's response:

The Commission is taking the requested action and has developed trust fund guidelines which include a section on the conditions to establish a trust fund. The Commission is currently revising the guidelines to include a more detailed description of the criteria laid out in the Financial Regulation to evaluate the conditions to establish EU trust funds. In this regard, the Commission considers that by assessing the conditions for the establishment of an EUTF, the question of the comparative advantages of other aid vehicles will be addressed.

92. (§ 278 - 2016/PAR/0512) The European Parliament deeply regrets the acknowledged cases of violence, sexual abuse and totally improper behaviour on the part of workers providing humanitarian aid to civilians in conflict and post-conflict situations; notes that the Commission has stated its commitment to review and, where necessary, suspend funding to those partners that do not comply with the high ethical standards required; urges the Commission, in order to eradicate this scourge and avoid any repetition, to strengthen prevention mechanisms in staff selection procedures, and moreover to provide initial and continuous training in this regard; and calls for a policy to protect whistleblowers in these cases.

Commission's response:

The Commission has a comprehensive policy of protection of whistleblowing among its staff. Harassment and improper conduct in general are also banned by the Staff Regulation.

Similar obligations are imposed on recipients of EU funds: grave professional misconduct (violation of applicable laws or regulations or ethical standards) prevents award of funding to the person or entity guilty of such behaviour.

In the field of humanitarian aid, DG ECHO has taken the following actions:

In February 2018, DG ECHO addressed a letter to all EU humanitarian partners to remind them of their duty to abide by the highest ethical and professional standards in the areas of humanitarian assistance and to request information on their policies and procedures regarding the prevention, reporting and management of sexual exploitation and abuse (SEA).

On 31 July 2018, DG ECHO completed the assessment (desk review) of the replies received. Funding has been put on hold to those organisations that have not shown the required level of compliance.

DG ECHO requested these partners to draft an action plan to strengthen their SEA framework, before any funding can be resumed. These organisations have been informed that failure to provide and implement such action plan and effectively strengthen their SEA framework might result in suspension or termination of their partnership with DG ECHO.

As of 31 July 2018, only one organisation did not yet reply to DG ECHO request. A procedure to terminate the partnership has been initiated.

Moreover, DG ECHO is now in the process of preparing a compliance audit programme on its partners, which will encompass not only the verification of the existence of SEA procedures but their actual implementation at HQ and field level.

DG ECHO ensures full protection of whistle-blowers and treats all information received as confidential. DG ECHO has set up a functional mailbox where allegations of any other type of misconduct, including sexual exploitation and abuse or harassment can be reported.

Concerning the Commission humanitarian staff based on the ground, they sign a code of conduct entailing strict ethical and behavioural standards, both during their worktime with the Commission and before, including a zero-tolerance approach for sexual harassment, exploitation and abuse. Safe and confidential procedures for reporting any misconduct are in place. They foresee protection of the victim through psychological support, medical assistance and security/safety measures. They may lead to the imposition of disciplinary sanctions. Awareness raising sessions towards the field staff are also held in this regard.

93. (§ 279 - 2016/PAR/0513) The European Parliament calls on the Commission to draft its strategy papers more carefully, so as to provide a more wide-ranging and accurate assessment of funding requirements and of the best instruments to use.

Commission's response:

The Commission is taking the requested action and will continue improving the drafting of its programming documents. For the next generation of such documents in 2021, the Commission expects to further improve programming thanks to its proposal for a new broad instrument, which will facilitate an inclusive view of development and avoid the artificial boundaries created by the multiple instruments existing today.

94. (§ 280 (In connection with § 91 on EDF) - 2016/PAR/0514) The European Parliament asks the Commission to ensure that EU funding is disbursed in accordance with the UNESCO standards of peace and tolerance.

Commission's response:

The Commission is taking the requested action. The EU and partners countries have committed to the SDGs. SDG 4.7 specifies, among others, the promotion of a culture of peace and non violence, global citizenship and respect for culture diversity. This is an element for EU policy dialogue and programme development in the education sector with our partner countries. The promotion of peace, tolerance and respect for diversity is also supported through EU funding in the area of culture, including for instance through the project "Interfaith and intercultural dialogue" which contributes to cultural and religious pluralism, tolerance and peaceful coexistence in Syria, Iraq and Lebanon. Actions will be informed by relevant UNESCO standard setting documents promoting citizenship and values such as peace and tolerance.

Migration and Security

95. (§ 291 (a) (In connection with § 274) - 2016/PAR/0515) "The European Parliament calls on:

a) DG HOME to consider defining, in cooperation with DG DEVCO and DG NEAR, a key performance indicator related to the elimination of the underlying and root causes of irregular migration.

Commission's response:

Assisting developing partner countries to comprehensively address the drivers of irregular migration and forced displacement is an integral part of development policy and cooperation. The migration-development nexus is fully recognised in the 2030 Agenda on Sustainable Development and work on identifying appropriate indicators in this field is part of the SDG follow-up, and equally in relation to the elaboration of a Global Compact on Migration (GCM), to be adopted in December 2018. Given the wide range and complexity of the multiple root causes of irregular migration, and therefore a need to address such root causes in multiple and very different policy sectors, it would be conceptually and operationally challenging to identify one single indicator in relation to root causes. In addition, since root causes are very context specific, and will vary from country to country, a single indicator would not be applicable at global level, and therefore not achieve its purpose. The European Commission has started to work on establishing a sound indicators and results framework in relation to migration and forced displacement. In this context, the Commission is also closely involved in the UN SDG and GCM work on identifying appropriate and measurable migration related indicators, even if the focus is currently on indicators for safe, regular and orderly migration. Given the complexities involved, this will require some time. Reflections will continue, including in the operationalisation of the new instrument for external cooperation in the context of the EU Multiannual Financial Framework.

96. (§ 291 (b) - 2016/PAR/0516) "The European Parliament calls on:

b) the Commission to regroup the budget lines financing migration policy under a single heading with a view to enhancing transparency.

Commission's response:

Commissioner OETTINGER agreed, in his letter on the 2016 discharge to the President of the CONT Committee and the EP rapporteur for the 2016 discharge, that transparency of migration policy financing should be further enhanced in the post-2020 MFF. The Commission has subsequently produced its proposals for the 2021-2027 MFF in which a new heading IV, "Migration and Border Management", is proposed.

97. (§ 291 (c) - 2016/PAR/0517) "The European Parliament calls on:

c) the Commission to define specific strategies with EU support teams to ensure the safety of women and accompanied minors at hotspots.

Commission's response:

The responsibility of the management of hotspots facilities itself, like the entire reception system, lies with national authorities, and should comply with EU law. The Commission has regularly flagged to Greek and Italian authorities the need to ensure dedicated areas and assistance for vulnerable migrants in hotspots, in particular unaccompanied minors, women and families.

IOM, UNHCR, NGOs also support national authorities at disembarkation and hotspots in the identification and referral of vulnerable migrants and in the provision of information to migrants on migration and asylum law, on the rights ensured to victims of trafficking and unaccompanied minors.

In the framework of European Union Regional Task Force (EURTF) weekly meetings, any issue concerning hotspot procedures management is regularly raised (even if the monitoring of reception is outside the scope of the Commission and EU agencies support to hotspots in Italy and Greece).

The European Commission is in regular dialogue with national authorities, EU agencies (Frontex, Europol, EASO, FRA) and International Organisations on 'hotspots approach' and related procedures, including the drafting of Standard Operating Procedures (SOPs) for Italian and Greek hotspots.

Actions under the Asylum, Migration and Integration Fund (AMIF) emergency assistance (EMAS) and national programmes have been provided to Italian and Greek authorities, as the referral of vulnerable migrants, the medical assistance (at sea and inland) and the capacity building of reception facilities by managing authorities.

For the victims of trafficking which is a particularly vulnerable group in the EU asylum acquis, special actions have been foreseen. In line with the policy priorities set forth in the Commission communication on the follow-up to the EU Strategy towards the Eradication of trafficking in human beings of 4 December 2018 (COM(2017) 728 final), and based on the outcomes of the First progress report on trafficking in human beings (THB), targeted THB workshops have been organised by the Commission in the context of the 'Hotspot approach' in both Italy (Catania, 13 December 2017) and Greece (Athens, 7 May 2018) bringing together relevant EU agencies, Commission services and national authorities. The aim of these targeted workshops was to improve the identification and appropriate referral of victims of trafficking in human beings arriving in mixed migration flows. EU funding continues to be allocated to support anti-trafficking efforts, including the November's 2017 call for proposals relating to the integration of victims of trafficking in human beings.

98. (§ 291 (d) - 2016/PAR/0518) "The European Parliament calls on:

d) the Commission and the Member States to take the necessary measures to provide adequate reception facilities in Greece and Italy.

Commission's response:

The Commission provided substantial support to Greece to improve reception conditions for irregular migrants and asylum seekers on the islands and on the mainland.

In particular, the Commission provided technical and financial support to the Greek authorities, including to help making available reception places on the islands of Lesbos, Chios, Samos, Kos and Leros ready for winter; the works undertaken involved, with the support of the Commission extending and upgrading the infrastructure by installing new prefabricated housing units, by providing adequate heating and electricity connections, and by improving the provision of essential services such as cleaning, sanitation and medical care, and also by distributing non-food items. For example, the extension and upgrade of the accommodation capacity of the Moria Reception and Identification Centre (RIC), with about 60 additional containers, has brought the nominal capacity from 2,300 to 3,000 places in container-type accommodation. In parallel, the operation of a municipal site in the island of Lesbos (Kara Tepe camp) is supported through an Emergency Assistance grant under AMIF to the UNHCR. The accommodation capacity of the Kara Tepe camp has significantly been extended since August 2017 from 750 to 1,300 places.

Additionally, the Commission provided funds to help setting up a network of up to 2,000 places in rental accommodation and hotels on the islands to host vulnerable persons outside the RIC areas. The Commission provided assistance and co-financing also in support of the creation of additional adequate shelter places for unaccompanied minors and has been putting pressure on the Greek authorities and other stakeholders to ensure that families with children are moved to adequate reception places in or outside the RICs areas.

Moreover, financial plans for the reception needs for 2017 and 2018 were put in place to help ensuring the coordinated and timely provision of financial support for sufficiently and effectively addressing the reception needs on the ground including the provision of adequate accommodation, catering, and cleaning in the hotspots, as well as the provision of adequate shelters for unaccompanied minors and services in these shelters.

The 7th Report on the Progress made in the Implementation of the EU-Turkey Statement of 6 September 2017 (COM 2017/470), and the Progress report on the European Agenda on Migration (COM 2017/669) contain relevant supporting information.

Constant contacts with the relevant Italian authorities are taking place. The Italian authorities opened the hotspot of Messina on 30 September 2017. The theoretical hotspot capacity was 1,850 places in June 2018. Thanks to this new hotspot, the capacity has increased by 15%. In addition, the Italian Ministry of Interior committed to open three additional hotspots in Calabria (1) and Sicily (2) in the course of 2018.

Since 2014, the European Commission has awarded Emergency Assistance amounting to a total of EUR 189.03 million to Italy. EUR 89.67 has been awarded under the Asylum, Migration and Integration Fund and EUR 99.36 million under the Internal Security Fund.

EU funds (over EUR 900,000) are available to fund improvement of reception capacity and reception conditions. Italy should prioritize the funding for suitable accommodation for unaccompanied minors, including in second-line reception

facilities (SPRARs) for minors, but also for alternative solutions for accommodation (foster families etc.)

99. (§ 291 (e) - 2016/PAR/0519) "The European Parliament calls on:

e) the Commission and the Member States to remedy the system weaknesses detected by the Court in the management of AMIF/ISF funds.

Commission's response:

The Commission partially implemented the recommendation. The weakness mentioned by the Court referred to the Commission's assessment of Member States' systems for AMIF and ISF which were – according to the Court - often based on insufficiently detailed information, particularly in the area of audit strategy. Despite the fact that the legal basis does not require the Audit Authority to submit their system audit reports, the Commission requested systematically to Audit Authorities to submit such reports when needed. Based on the assurance model under shared management, it is considered neither realistic nor efficient to review and analyse the entire content of all individual system audit reports. The Audit Authority audit reports are only one of the tools which allow the Audit Authority and subsequently the Commission to obtain assurance on the veracity of the three opinions expressed by the Audit Authority in the accounts (together with summary of audit strategy, results of system audit work, result of financial audit work, etc). The Commission approved a revision of the Delegated Regulation 1042/2014, clarifying the scope of system audits, the obligation to perform audits of expenditure and providing a standard reporting model. The revision is expected to be in force by mid-September 2018 and to be applied already for the next accounts (February 2019).

100. (§ 291 (f) - 2016/PAR/0520) "The European Parliament calls on:

f) the Commission to provide an estimated cost paid per migrant or applicant for asylum country by country.

Commission's response:

It is not feasible to provide a reliable calculation. The management of migratory flows comprises a wide range of activities, from border control and surveillance activities to direct support to migrants/refugees. Combining all costs under one unit cost would bring little or no added value, as some category of costs (i.e. linked to checks at the external borders) can be only partially attributed to the policy on migration; some categories of activities are largely exclusive (e.g. integration and return). Moreover, EU funding covers only a share of the Member States' spending in the field of asylum, migration, integration and return which also varies, per activity, to a great extent from one Member State to another and also between regions in one Member State.

101. (§ 291 (g) - 2016/PAR/0521) "The European Parliament calls on:

g) the Commission to provide for a monitoring system with a view to ensuring that the human rights of refugees and asylum seekers are respected.

Commission's response:

The Commission implemented the request. A full respect of rights and principles enshrined in the Charter of Fundamental Rights of the European Union is one of the major requirements laid down by the basic acts establishing the AMIF and the ISF. In the context of the preparation of the national programmes, the Commission has examined the compliance of the proposed programmes with Union law. In this framework, eligible actions must take account of the human-rights based approach to the protection of migrants, refugees and asylum seekers. Monitoring the implementation of this requirement was part of the monitoring activities undertaken by the Commission in 18 Member States in 2017 in relation to both funds. The annual work programme for direct management funds managed by the Commission draws attention to compliance with human rights and a reminder about the need to respect the Charter of Fundamental Rights is found in the texts for calls for proposals published on the Commission's website. Moreover, DG HOME pays attention to the implementation of the Charter during the monitoring of selected projects. To make this more explicit, the monitoring guidelines include a point on the respect of the Charter.

102. (§291 (h) - 2016/PAR/0522) "The European Parliament calls on:

h) the Commission to step up the checks carried out on funds for refugees, which are frequently allocated by the Member States in emergency situations without complying with the rules in force at the time.

Commission's response:

The Commission implemented the request. DG HOME is monitoring closely and on a regular basis the implementation of funds under its responsibility in general and for emergency assistance in particular. For emergency assistance, DG HOME established strict internal rules to ensure compliance with the definition of emergency situations in each fund to prevent overlaps between the different instruments and to ensure legality and regularity of EU expenditure. DG HOME reinforced its control strategy on emergency assistance, ensuring that project beneficiaries provide progress reports on a regular basis and that monitoring missions will be carried out following a risk assessment done at the time of the Evaluation Committee. In addition, the control strategy ensures that ex post audits are carried out each year on a sample of closed projects in the premises of the beneficiaries. All irregular expenditure is recovered. Finally, an anti-fraud procedure exists and whereby any information concerning possible fraud, corruption or illegal activity detrimental to the EU financial interests is forwarded to OLAF for examination.

Code of conduct of the Commissioners and procedures for the appointment of senior officials

103. (§ 297 *(In connection with § 303 (f)) - 2016/PAR/0523*) The European Parliament calls for Commissioners to declare all their interests (as shareholders, company board members, advisers and consultants, members of associated foundations, etc.) in all the companies in which they have been involved, including close family interests, as well as the changes that took place at the time when their candidacy was made known.

Commission's response:

The new Code of Conduct for the Members of the Commission provides for a Declaration of Interests, including assets and liabilities that might be considered to be capable of giving rise to a conflict of interests - including those of spouses, partners and minor children -, and in any case where the value of an investment by the Commissioner exceeds EUR 10,000 as well as other interests. It does not include reporting of previous interests or recent changes given that, in both cases, they cannot give rise to a conflict of interest anymore. It also does not include all close family interests but only interests of spouses, partners and minor children where those might be considered to be capable of giving rise to a conflict of interest. All other interests that lead to a conflict of interest in the sense of Article 2(6) of the Code in a specific situation need to be declared to the President as soon as a Member becomes aware of the situation (Article 4(3) of the new Code).

104. (§ 298 - 2016/PAR/0524) The European Parliament points out that the extension of the cooling off period to three years should concern all members of the Commission as requested by Parliament on several occasions; insists that the opinions of the ethical committee should be made public when there are issued.

Commission's response:

The cooling-off period has been extended from 18 months to two years for former Members of the Commission. This in line with the maximum period foreseen in Council Regulation 2016/300 for the payment of a transitional allowance. Only in the case of a former President, the period is three years due to the particularity of the function.

Opinions of the Independent Ethical Committee are published when related to Commission decisions on post-mandate activities; there is however no automatic publicity foreseen in other cases due to the advisory character of the Committee.

105. (§ 299 and § 300 - 2016/PAR/0525) The European Parliament fears that the appointment processes of the independent ethical committee does not guarantee its independence and stresses that independent experts should not have themselves held the position of Commissioner, nor should they have held a position as a senior Commission official; asks the Commission to adopt new rules on the independent ethical committee in line with this remark. [§ 300] The European Parliament requests the Commission to provide and publish an annual report by the independent ethical committee; reaffirms that the independent ethical committee can make any recommendation on the improvement of the code of conduct or of its implementation.

Commission's response:

The Independent Ethical Committee is an advisory body of and to the Commission. The Commission does neither see a need nor a justification for establishing a list of positions previously held which would automatically disqualify a person from becoming a member even if all the criteria of the Code are met. The relevant criteria under the Code are competence, experience, independence, professional qualities, an impeccable record of professional behaviour and experience in high level functions in European, national or international institutions. Therefore, a person who previously held a position as Commissioner or senior Commission official can be appointed if he or she fulfils all criteria.

The European Parliament's Advisory Committee is composed of active Members of Parliament according to Article 7 of its Code of Conduct.

The new Code foresees that the Commission shall publish annually a report on its application including the work of the Independent Ethical Committee.

The Code also foresees that the Independent Ethical Committee shall advise the Commission on any ethical question related to the Code and provide general recommendations to the Commission on ethical issues relevant under the code.

106. (§ 301 - 2016/PAR/0526) The European Parliament expects the President of the Commission to present his plan to improve the damage done to Commission's public image due to the recent appointment of Secretary General to the Parliament.

Commission's response:

The Commission is committed to communicating positively on its achievements and EU policies but does not envisage presenting a specific communication plan related to this topic.

107. (§ 302 - 2016/PAR/0527) The European Parliament calls on the Commission to present before the end of 2018 a proposal for a procedure for the appointment of senior officials, which ensures that the best candidates are selected in a framework of maximum transparency and equal opportunity, and which is sufficiently broad for it to be applicable to the other institutions, including the Parliament and the Council.

Commission's response:

The Commission believes that it has robust procedures in place in order to ensure that the best-qualified candidates are appointed to each senior management function. Nevertheless, in line with its commitment to the goal of a European Public Administration of excellence, the Commission is open to constructive dialogue and has proposed an inter-institutional round table on the selection of senior management staff to discuss whether and how the application of the European Union Staff Regulations can be further developed and strengthened in pursuit of this goal. These discussions should allow the institutions to obtain a coherent overview and reach a common understanding of the implementing rules currently in place, as well as the specific practices of the individual Institutions without losing sight of the fact that, under the Treaties, all Institutions are autonomous in matters relating to their organisations and personnel policy. The

round table process must also recognise that whilst enhanced transparency is an important principle, it must not lead to decisions on appointments at this level becoming the object of negotiations between Member States and/or political parties that could call into question both the supranational spirit of the European Public Administration or the goal of having highly qualified senior officials.

108. (§ 303 (a) - 2016/PAR/0528) "The European Parliament asks the Commission to envisage introducing the following improvements:
- a) acceptance of gifts from donors from Member States should be prohibited (Article 6 (4)).

Commission's response:

The Commission does not consider it appropriate to make a distinction between persons or organisations from the Member States and third countries.

Within the limit of EUR 150, which has not changed since 1999, the Members of the Commission have the discretion to accept or refuse gifts they are offered, assessing the circumstances of each specific situation in line with the general principles applicable to Members under the Code.

109. (§ 303 (b) - 2016/PAR/0529) "The European Parliament asks the Commission to envisage introducing the following improvements:
- b) the participation of Commissioners in national politics during their term of office should be suspended or limited to passive party membership.

Commission's response:

Commissioners shall be democratically and politically accountable and can participate in national politics under restrictions set out in the Code of Conduct. Participation can only include the holding of honorary or non-executive functions in bodies of the party structure, but excludes management responsibilities.

110. (§ 303 (c) - 2016/PAR/0530) "The European Parliament asks the Commission to envisage introducing the following improvements:
- c) clarification of the reference to "diplomatic or courtesy usage" (Article 6 (2) and (5)), which suffers from a lack of precision and clarity and might be prone to abuse.

Commission's response:

The Commission considers that the notion of "diplomatic or courtesy usage" provides clear guidance to deal with a great variety of different situations in line with the general principles of the Code applicable to the Members of the Commission.

111. (§ 303 (d) - 2016/PAR/0531) "The European Parliament asks the Commission to envisage introducing the following improvements:
- d) participation of Commissioners in national election campaigns should be aligned to participation in European election campaigning (Articles 9 and 10). In both cases, Commissioners should be obliged to take unpaid electoral leave.

Commission's response:

The issue of the participation of the Members of the Commission in the European election campaigns has been addressed by the modification of Point 4 of the Framework Agreement between the European Parliament and the European Commission, agreed by both Institutions on 7 February 2018, and the new Code of Conduct for the Members of the Commission. The obligation to take unpaid leave has been removed by both institutions from the Framework Agreement with regard to the participation in the European election campaigns.

112. (§ 303 (e) - 2016/PAR/0532) "The European Parliament asks the Commission to envisage introducing the following improvements:

e) more clarity should be provided on the criteria for such possible referral to the Court of Justice of the European Union under Article 245 or 247 TFEU.

Commission's response:

The Treaty provides this possibility to both the Council acting by simple majority and the Commission. The Commission does not consider it appropriate or necessary to elaborate criteria in addition to those already foreseen in the Treaty.

113. (§ 303 (g) - 2016/PAR/0533) "The European Parliament asks the Commission to envisage introducing the following improvements:

g) declarations of interests should be improved in line with Parliament's resolution of 1 December 2016 on Commissioners' declarations of interests – guidelines (2016/2080(INI)).

Commission's response:

The Treaty provides this possibility to both the Council acting by simple majority and the Commission. The Commission does not consider it appropriate or necessary to elaborate criteria in addition to those already foreseen in the Treaty.

Administration

114. (§ 306 - 2016/PAR/0534) The European Parliament Notes with concern the continuing discrimination against Union staff based in Luxembourg, in spite of the judgment of the Court of Justice of October 2000 in the Ferlini case (C-411/98) and Directive 2011/24/EU which both condemn the practice; stresses that over-charging continues, use being made of two agreements with Luxembourg's Hospitals Federation (FH) and the Doctors' and Dentists' Association (AMD), which set a limit of 15 % for overcharging but allow for 500 % for treatment carried out in hospitals; deplores the fact that the 2000 Court of Justice ruling and Directive 2011/24/EU are violated not only by the agreements but also by a number of national healthcare operators; calls on the Commission to firstly, calculate the annual additional cost of the overcharging to the Union budget (JSIS) and justify it, secondly, determine an infringement procedure or similar legal action against the Grand Duchy; thirdly, inform the Parliament of the outcome of Public petition No 765 submitted to the Chamber of Deputies of Luxembourg and of the public debate held there on 19 October 2017, fourthly, protest against the two agreements with the FH and the AMD.

Commission's response:

The Commission, and in particular the PMO as the service in charge of managing the JSIS, continues to regularly analyse the evolution of the health costs. It reserves the possibility of taking all necessary actions towards the national authorities and the representatives of healthcare providers, taking into account the legal framework that applies, the jurisprudence of the Court of Justice of the European Union and the risks inherent in denouncing existing conventions.

The provisions in Directive 2011/24/EU are not applicable to JSIS affiliates. The latter benefit from a specific social security scheme established by the Staff Regulations and the Conditions of Employment of Other EU agents. However, the jurisprudence of the Court of Justice of the European Union has confirmed that, in the absence of objective justification, a unilateral application of rates higher than those applicable to members of the national social security scheme constitutes a discrimination on grounds of nationality prohibited by Article 18 TFEU (see, inter alia, the judgment of 3 October 2000 in Case C-411/98 - Ferlini).

However, the rates applied to JSIS affiliates in Luxembourg are the subject of two agreements between the Commission and representatives of healthcare providers in Luxembourg.

The Commission has carried out, and continues to carry out, in-depth analyses of the situation, taking into account in particular the free choice of provider as guaranteed by the joint sickness insurance scheme as well as the situation that existed prior to the establishment of the above-mentioned agreements and which allowed for pricing choice.

In addition, in the framework of the existing agreement with the Luxembourg hospitals and in particular Article 4 of this, a technical commission has been put in place. This will proceed to review hospital rates applied to JSIS affiliates.

115. (§ 307 - 2016/PAR/0535) The European Parliament stresses the importance of once more making the European civil service an attractive proposition for young EU professionals; calls on the Commission to draft a report on the consequences of the restrictions for the attractiveness of the EU civil service and on its current under-resourced state that proposes solutions to help bring the service closer to European citizens and increase their interest in joining it.

Commission's response:

Creating a Europe that delivers concrete and tangible results for its citizens is a guiding principle and a political commitment. Member States have called for Europe to do more on several areas such as migration, defence and security, youth mobility, and to further develop social and territorial cohesion, Research & Investment, food supply security and quality and pan-European infrastructures. The proposal for a Multiannual Financial Framework presented by the Commission for a seven-year EU budget reflects these priorities and ambitions.

However, the EU institutions' ability to deliver is constrained by their administrative capacity, which is inseparably linked to the quality of their staff. The EU will only deliver on its ambitious agenda if its institutions -and the Commission in particular as the largest among them- can continue to be attractive and rewarding for the young and most qualified staff.

For our employment offer to remain attractive, we should offer the right framework of conditions to ensure that the most qualified candidates from across the EU are eager to apply, join and keep strong motivation to work for the EU civil service. The institution should continue investing in its people and we should make sure that our institution has the right mix of staff, mirroring the geographical diversity of its citizens and Member States.

In that respect, the Commission will adopt in 2018 a Communication that will present a comprehensive approach and a set of measures aimed at credibly and durably making the European Commission an employer of choice for young and qualified staff, responding to identified challenges and strategic objectives of the institution and to candidates' and staff's expectations.

The Communication will detail operational actions which the Commission will implement until the end of the current mandate to ensure the institution remains one of the world's most vibrant and exciting places to work and that it is supported by the most qualified people. These actions include new initiatives and those which are already in place, in particular under the Synergies and Efficiencies review, many of which will be adapted or further developed.

116. (§ 308 - 2016/PAR/0536) The European Parliament stresses the importance of finding a solution to the problem of the excessive, and in many cases abusive, billing of the medical expenses of the staff and members of the Parliament in some Member States; calls on the Commission to seek solutions to this problem which, in countries such as Luxembourg, costs some EUR 2 million a year (e.g. negotiations with Member State social security systems, public or private, the creation of a card similar to the European Health Insurance Card for foreign travel, etc.).

Commission's response:

The Commission, and in particular the PMO as the service in charge of managing the JSIS, continues to regularly analyse the evolution of the health costs. It reserves the possibility of taking all necessary actions towards the national authorities and the representatives of healthcare providers, taking into account the legal framework that applies, the jurisprudence of the Court of Justice of the European Union and the risks inherent in denouncing existing conventions.

The provisions in Directive 2011/24 / EU are not applicable to JSIS affiliates. The latter benefit from a specific social security scheme established by the Staff Regulations and the Conditions of Employment of Other EU agents. However, the jurisprudence of the Court of Justice of the European Union has confirmed that, in the absence of objective justification, a unilateral application of rates higher than those applicable to members of the national social security scheme constitutes a discrimination on grounds of nationality prohibited by Article 18 TFEU (see, inter alia, the judgment of 3 October 2000 in Case C-411/98 - Ferlini).

However, the rates applied to JSIS affiliates in Luxembourg are the subject of two agreements between the Commission and representatives of healthcare providers in Luxembourg.

Several in-depth analyses of the situation have shown that these agreements protect the affiliates against uncontrollable increases in health costs, taking into account the free choice of provider as guaranteed by the joint sickness insurance scheme as well as the situation that existed before which allowed for pricing choice. In addition, liberalisation of health rates as a result of denouncing such agreements would entail significant financial and legal risks for both the scheme and its affiliates.

However, in the framework of the existing agreement with the Luxembourg hospitals and in particular Article 4 of this, a technical commission has been put in place. This will proceed to review hospital rates applied to JSIS affiliates.

117. (§ 311 - 2016/PAR/0537) The European Parliament looks forward to receiving the full history of JMO I/JMO II between 1975 and 2011 as promised by the Commission in their written answers in preparation for the hearing with Commissioner Oettinger on 23 January 2018.

Commission's response:

The Commission (OIL) provided documents to the Secretariat of the CONT Committee on 8 June 2018.

118. (§ 312 - 2016/PAR/0538) The European Parliament regrets the fact that even though a complete inventory of materials containing asbestos in JMO I was drawn up in 1997, the Commission did not leave the building until January 2014 and that it took AIB-Vinçotte Luxembourg until 2013 to revise its findings; calls on the Commission to inform Parliament whether all workers were duly informed of the situation and of the serious health risks incurred, whether any illness was detected that might have resulted from the inhalation of asbestos particles and what measures were taken in such cases, and whether preventive measures were taken (screening and early

detection tests, etc.); also calls on the Commission to report on whether it has initiated any proceedings against AIB-Vinçotte Luxembourg in this regard.

Commission's response:

The initial asbestos inventory of JMOI drawn in 1997 by AIB Vinçotte was largely based on visual checks (asbestos inventories are not a legal requirement according to Luxembourgish law). The risk evaluation concluded that it was safe to occupy the building and precautionary measures- namely air monitoring checks carried out on a regular basis- were taken. Absolute certainty with regard to the exact composition of materials would only have been possible through invasive procedures, with a risk of liberating asbestos fibres. Given the absence of asbestos fibres in the routine air measurements, it was not deemed appropriate to take this risk. Regular asbestos inventory updates were carried out. As an invasive incident happened in the JMO building in 2013, the exact nature of the asbestos plates was established and it was found that the asbestos plates were not asbestos-ciment but PICAL plates, of a less dense composition.

The Commission did charge different experts with the task of evaluating the situation in JMOI in view of the latest findings. Following this evolution, the risk evaluation became unfavorable to further occupy the building.

It should be noted that the situation at the JMO building, not containing any flocculated asbestos, was in no way comparable to the Berlaymont building.

In view of the above, the Commission has not initiated proceedings against AIB-Vinçotte.

The Commission has been fully transparent with the personnel in publishing the asbestos inventories and results of air measurements on the internal website. Information campaigns for the personnel were organised and asbestos containing materials were clearly marked and monitored. All personnel working or having worked for the Commission is given the possibility to be medically screened. Up till now, 5 persons have been recognised with an illness that may be related to asbestos exposure. It concerns craftsmen that have not only worked in the JMO building, but also in other asbestos containing buildings, including buildings with flocculated asbestos.

119. (§ 314 - 2016/PAR/0539) The European Parliament calls on the Commission to report in detail on the cost of renting the six buildings occupied by the Commission in the meantime [during the construction in JMO] (ARIA, LACC, HITEC, DRB, BECH and T2), arising from the delay in delivering JMO II, and the consequences of extending the lease agreements; calls on the Commission to ensure that working conditions are improved in these six buildings, in close cooperation with the Committee on Health and Safety at Work (CHSW), and to conclude speedy negotiations with the Luxembourg authorities on improving the conditions for mobility and access to them; reminds it that medical offices should be established in each building in accordance with Luxembourg legislation.

Commission's response:

The details of the rental costs are included in the draft General Budget of the EU (Working Document Part VII), which is available to the EP. A specific note has

been sent to the budget authority in August, with the details on the evolution of the JMO2 file.

Concerning the working conditions, all buildings rented by the Commission fully comply with the Commission's Housing Conditions Manual and with the Luxembourgish health and safety regulations. The Commission's services in charge of maintenance of buildings and health and safety work in close collaboration with the CHSW to ensure optimal working conditions.

In the field of mobility, further to discussions with the Luxembourg authorities, the Commission already put several measures in place. In particular, Commission's staff benefit from the Jobkaart, which is a travel card enabling the holder to travel free of charge on public transport in Luxembourg City as well as from the MPass, which is a discounted travel pass for an unlimited number of bus and second class rail journeys in Luxembourg.

120. (§ 316 (In connection with § 315) - 2016/PAR/0540) The European Parliament wishes to receive the supporting documents for these explanations [the consortium of architects KSP requested, a tender procedure for the earthmoving works faced administrative problems and significant changes regarding the security measures] by 30 June 2018.

Commission's response:

See answer to 2016/PAR/0539.

121. (§ 323 - 2016/PAR/0541) The European Parliament asks the Commission when it expects a sound financial management system for European Schools to be in place; calls on the Commission to take all necessary measures to ensure that a good financial management system for European Schools can be introduced as quickly as possible.

Commission's response:

The Commission reiterates that it cannot substitute for the Office of the Secretary-General and the European Schools' management, which are ultimately responsible for taking the necessary measures to improve the financial management system of the schools.

In March 2018, the Commission addressed a communication to the Council and the European Parliament on the reform of the European Schools' administrative structure. It presents its views on the progress made over the last years and the challenges ahead.

The Commission will continue to help the European Schools to accomplish a sound financial management system. Reforming the overall financial governance is a long term process and requires the European School system to be firm in this endeavour.

122. (§ 324 - 2016/PAR/0542) The European Parliament is astounded that the development of a new case management system, devised in-house, will cost EUR 12,2 million; asks whether OLAF undertook any market research for cheaper solutions before engaging in this expense; expects that the Commission and OLAF

present a thorough explanation of estimated costs and steps taken to find a more economic solution to the discharge authority.

Commission's response:

In 2013 OLAF undertook an extensive analysis for the development of OCM, and notably considered the following options: (i) preserve the status quo; (ii) build on existing systems developed by other Commission services; and (iii) develop its own IT solution. This analysis was conducted following the Commission's formal IT governance process and encompassed a feasibility study based on business requirements, technology available, synergy with other platforms and deadlines for the release of the solution. As a result, the development of its own IT solution was considered the most suitable option for OLAF.

The OLAF Case Management System (OCM) has been operational since October 2016.

Presently, OLAF intends to keep OCM as its case management system and will not take steps to find another solution.

123. (§ 326 - 2016/PAR/0543) The European Parliament calls on the Commission to ensure a balanced composition of expert groups; considers that the Parliament has still not received a formal answer to its resolution on "Control of the Register and composition of the Commission's expert groups" of 14 February 2017; calls upon the Commission to provide a thorough response without delay.

Commission's response:

The Commission has formally adopted its position on the Parliament's resolution on expert groups on 31 May 2017. An advance copy was sent to the Parliament on the same day and the final text - in English and French - was transmitted to the Parliament on 31 August 2017. In this position the Commission, while highlighting that the revised horizontal rules on expert groups adopted by the College in May 2016 provide a positive response to many suggestions made by the Parliament, indicated in detail why it could not accept a number of additional Parliament's requests. The revised horizontal rules confirm the Commission's strong commitment to strive for a balanced composition of expert groups, while taking into account the specific tasks of every individual group, the type of expertise required, as well as the number and quality of responses received to calls for applications.

124. (§ 327 (In connection with § 182) - 2016/PAR/0544) The European Parliament condemns the murder of Slovak investigative journalist Jan Kuciak and his fiancée Martina Kusnirova on 22 February 2018, is very much concerned by information according to which this assassination could be linked to the fraudulent payment of Union transfer funds to a resident in Slovakia and with alleged ties to the organised crime group 'Ndràngheta; asks the Commission and OLAF to closely examine this file and to report on it in the framework of the follow-up to the Commission discharge. [§ 182] The European Parliament urges the Commission to inform the Parliament about Union agriculture funds in Slovakia.

Commission's response:

Following a preliminary assessment of the available information, OLAF has now opened an administrative investigation into the possible misuse of EU funds for agriculture in Slovakia. The investigation is related to the issues that have recently been brought to light by the work of investigative journalist, Ján Kuciak. Since investigative processes are on-going, OLAF cannot issue any further comment at this stage. This is in order to protect the confidentiality of on-going and possible ensuing investigations, subsequent judicial proceedings, personal data and procedural rights.

As regards the reporting to the competent Parliamentary Committee, this has to be done upon request, on a case by case basis, and in accordance with the applicable provisions under the Interinstitutional Agreement between the Parliament and the Commission.

125. (§ 328 - 2016/PAR/0545) The European Parliament regrets the discontinuing of the country-by-country report in a second EU AntiCorruption report by the Commission (ARES (2017)455202); calls on the Commission to start reporting again separately from the Economic Semester on the status of corruption in Member States, including evaluating the effectiveness of EU-supported anti-corruption efforts; strongly urges the Commission not to evaluate anti-corruption efforts only in terms of economic loss.

Commission's response:

While the EU anti-corruption report provided a useful overview of the situation, streamlined coverage in the European Semester of economic governance, which is the main economic policy dialogue between the Member States and EU institutions, appears to be an equally efficient way to address the matter and is in line with the general approach of this Commission to streamline processes and focus on key issues in the relevant fora.

This dialogue is further complemented by support to Member States at technical level through the anti-corruption experience sharing programme as well as financial support for a wide range of projects in the field of anti-corruption.

126. (§ 329 - 2016/PAR/0546) The European Parliament calls on the Commission to make a renewed effort to allow the EU to become a signatory to GRECO (group of states against corruption).

Commission's response:

EU participation in GRECO has not advanced due to divergent positions on the legal basis for accession between the Council and the Commission. The Commission continues discussion with the Council on the choice of the appropriate legal framework.

The GRECO Plenary expressed willingness to explore the possibility of technical cooperation pending formal accession. The Commission welcomes such a pragmatic approach, and sees a strong complementarity between our internal anti-corruption work and that of GRECO.

127. (§ 330 - 2016/PAR/0547) The European Parliament takes note of the findings and recommendations of Parliament's Policy Department D's study "Transitional allowances for former EU office holders - too few conditions?"; calls on the Commission to take these recommendations into account, and initiate a revision of transitional allowances for former EU office holders in order to enhance the transparency of the allowances, and the accountability of the EU budget towards the citizens; calls in particular on former EU office holders to refrain from lobbying activities at EU institutions as long as they receive a transitional allowance.

Commission's response:

Council Regulation 2016/300 foresees that amounts from a new gainful activity are deducted from the transitional allowance of a former Member of the institutions listed in Article 243 TFEU, if they exceed, together with the transitional allowance, the remuneration which they received as active office holder.

Under this Regulation, the entitlement to the transitional allowance ceases if a former office holder is reappointed to office in the institutions of the European Union, elected to the European Parliament or reaches the pensionable age. The Commission refers to Article 10 (2) and (3) of that Regulation for further details.

With regard to Council Regulation No 2016/300, the Commission has no right of initiative, pursuant to Article 247 of the TFEU. With regard to restrictions on Commissioners' post-mandate activities, specific provisions are provided in the Code of Conduct for Commissioners.

Foreign Affairs Committee's opinions

128. (§ 332 - 2016/PAR/0548) The European Parliament takes note of the Final Report on the External Evaluation of the European Instrument for Democracy and Human Rights issued in June 2017; welcomes indications that election observation is contributing to the overall and specific objectives of the EIDHR; underscores the importance of ensuring continued support among local populations for EOMs; to this effect draws attention to the need to ensure cost effectiveness and introduce proportionality between the resources spent on EOMs and the follow up of its recommendations; calls on the Commission to consider proposals made in the Final Report on the External Evaluation of the EIDHR to further strengthen the follow up of recommendations that result from election monitoring.

Commission's response:

The requested action has been taken. A recent European Court of Auditors performance audit has concluded that "electoral assistance supported the implementation of EU EOM recommendations". The report noted the clear links existing between recommendations and electoral assistance, stating that electoral assistance projects do follow-up on EU EOM recommendations. Electoral assistance projects amount to yearly sums that are equal or greater to the budget for EU EOMs. The Commission thus considers addressed the request to introduce proportionality between the resources spent on Election Observation Missions and to strengthen the follow-up on the recommendations. The Commission will work to maintain the proportionality and continue the follow-up of EU EOM recommendations in electoral support initiatives.

129. (§ 339 - 2016/PAR/0549) The European Parliament calls on the Commission to incorporate an incentive-based approach to development by introducing the more-for-more principle, taking as an example the European Neighbourhood Policy.

Commission's response:

The requested action has been taken. The "Partnership Framework" approach on migration is based on jointly agreed priorities and clear mutual expectations, and offers more partnership and more cooperation to partner countries committed to closer partnership.

Furthermore, through the EU Trust Fund for Africa, the Commission has decided to take an approach based on positive incentives and complementarity, i.e. doing more with those cooperating more.

Employment and Social Affairs Committee's opinions

130. (§ 342 - 2016/PAR/0550) The European Parliament welcomes the results achieved under the three axes of the European Union Programme for Employment and Social Innovation (EaSI) in 2016; draws attention to the importance of EaSI support, and, in particular, of its Progress and European Employment Services network (EURES) axes, for the implementation of the European Pillar of Social Rights; notes with concern that the thematic section Social Entrepreneurship within the EaSI Microfinance and Social Entrepreneurship axis continues to underperform; calls on the Commission to insist that the European Investment Fund commits to full utilisation of the resources under the Social Entrepreneurship thematic section.

Commission's response:

The Commission is closely working with the European Investment Fund (EIF) to ensure that the resources under the Social Entrepreneurship strand will be fully utilised. While the EIF, as the implementing partner, has made significant progress in the deployment of the financial instruments under the EU Programme for Employment and Social Innovation (EaSI), it is important to note that the EaSI Guarantee instrument was only launched in June 2015. Moreover, the slower take-up for the social entrepreneurship strand was expected and is largely due to the novelty of the instrument in this field, which is a first for both the Commission and the EIF. In essence, it is difficult to compare with the faster absorption for the microfinance strand which builds on the success of the predecessor European Progress Microfinance Facility launched in 2010. Having said this, as at 20/06/2018, 20 agreements have already been signed with financial intermediaries under the EaSI Guarantee for social entrepreneurship. This amounts to a committed EU budget of EUR 35.4m (i.e. over 88% out of the available initial EU budget of EUR 40m), which in turn is expected to generate more than EUR 375m in financing for social enterprises. Based on the pipeline of operations which is growing positively, the EIF expects a full deployment of the initial EU budget of EUR 40m for the EaSI Guarantee for social entrepreneurship by the end of 2018. In addition, other financial instruments are being deployed for the social entrepreneurship strand which are expected to result in a full utilisation of its resources.

Transport and Tourism Committee's opinions

131. (§ 350 - 2016/PAR/0551) The European Parliament takes note of the launch in 2016 of the Green Shipping Guarantee Programme through the new CEF debt instrument and EFSI, which will potentially mobilise EUR 3 billion of investment in equipping vessels with clean technology; asks the Commission to provide detailed information on the implementation of this programme, including on the financial, technological aspects as well as on the environmental and economic impacts.

Commission's response:

Information on the financial aspects of the Green Shipping Guarantee Programme has been included in the report to the Parliament under Article 140. More information will be provided in the report for 2018.

132. (§ 352 - 2016/PAR/0552) The European Parliament calls upon the Commission to clearly present for the sector of transport an assessment of the impact of EFSI on other financial instruments, in particular with regard to the CEF as well as on the coherence of the CEF Debt Instrument with other Union initiatives in good time before the proposal for the next MFF and for the next CEF; requests that this assessment presents a clear analysis of the geographical balance of investments in the transport sector; recalls, however, that the amount of money spent under a financial instrument should not be considered to be the only pertinent criteria to be used when assessing its performance; invites, therefore, the Commission to deepen its assessment of the achievements completed under Union funded transport projects and measure their added-value.

Commission's response:

The analysis of the CEF Debt Instrument has been carried out within the CEF Mid Term Review.

133. (§ 354 - 2016/PAR/0553) The European Parliament calls on the Commission to evaluate the financial effectiveness of the agreement with Eurocontrol regarding the Performance Review Body (PRB) and to advance the proposal to establish PRB as a European economic regulator under the supervision of the Commission; moreover, taking in account the necessity to implement as soon as possible the Single European Sky and in order to increase the competitiveness of aviation industry, calls on the Commission to advance the proposal to designate the Network Managers as a self-standing service provider set up as an industrial partnership.

Commission's response:

The formal set-up for the PRB has changed in 2016 through Commission Implementing Decision (EU) No 2016/2296 of 16 December 2016 setting up the independent group of experts designated as Performance Review Body (PRB) of the single European sky. In this context, the contractual relationship with ECTL has been focused on its exclusive competence related to the implementation of the performance scheme. Article 11(2) of Regulation (EC) 549/2004 foresees that the role of the performance review body is to assist the Commission in the implementation of the performance scheme. Therefore the possibility to set up the

PRB as an independent regulator on its own first requires an amendment of the existing legal framework (SES2+).

With regard to the appointment of the Network Manager, the Commission proposes to continue the existing experience with ECTL, in close cooperation with the industry under the Network Manager Board.

134. (§ 355 - 2016/PAR/0554) The European Parliament calls on the Commission to present an assessment of the impact of the projects financed by the Member States, in the area of transport under the Danube Strategy and to make a proposal to increase the added value of the future projects in order to contribute to the completion of this important transport corridor.

Commission's response:

In accordance with Regulation (EU) N° 1315/2013 (the TEN-T regulation) the European Coordinator in charge of the Rhine Danube Core Network Corridor, in casu Mrs Karla Peijs, has to draw up a work plan. This work plan includes a description of the characteristics, cross-border sections, objectives and priorities of the corridor. The third work plan will be adopted before the summer. It will be subsequently submitted to the European Parliament, the Council and the Commission, after approval of the Member States concerned.

In addition to an update

- *on the analysis of the corridor infrastructure (definition of corridor alignment, compliance check of the technical infrastructure parameters),*
- *on the results of the transport market analysis,*
- *on the analysis of the identified projects to be realised by 2030,*
- *and on the description of the future challenges (critical issues, technical compliance issues, persisting bottlenecks and administrative and operational barriers),*

the third work plan features new elements such as:

- *the environmental and socio-economic effects of the corridor infrastructure implementation – innovation deployment, impacts on jobs and growth, impact on decarbonisation and climate change,*
- *an outlook on the funding and financing possibilities,*
- *and a description of flagship projects (such as intelligent transport and alternative fuels infrastructure).*

This third work plan should therefore fully answer the request of the Parliament.

Agriculture and Rural Development Committee's opinions

135. (§ 361 - 2016/PAR/0555) The European Parliament calls on the Commission and Member States to monitor the significant price volatility of agricultural products, which has adverse effects on farmers' incomes, and to react promptly and effectively when needed.

Commission's response:

The European Commission undertook a number of initiatives to shield farmers from economic volatility and improve their position in the food supply chain:

Amendments brought by the Omnibus Regulation (1 January 2018) give farmers greater possibilities to work together in producer organisations and associations of producer organisations.

On 14 April 2018 the Commission presented the proposal on better functioning of the food supply chain, which rules out certain unfair trading practices in business to business relations.

The Commission is working on market transparency measures that would enable farmers to follow prices of food throughout the value chain; the objective is to come up with a proposal still in 2018.

The Commission also commissioned a study on how to improve crisis prevention/management in the agricultural sector. The study is to be finalized by the end of 2018.

Culture and Education Committee's opinions

136. (§ 376 - 2016/PAR/0556) The European Parliament points out that there are still problems as regards access to Erasmus+ funding in the 'youth' sector because the programme is managed on a decentralised basis by national agencies; calls on the Commission to take the necessary steps, for instance by centralising part of the funding within the executive agency; calls on the Commission, in addition, to provide the means necessary for all programme beneficiaries to become more involved, one example being to set up permanent sector-specific subcommittees, as provided for under Regulation (EU) No 1288/2013.

Commission's response:

Following the recommendation of the Interim evaluation of the Youth in Action programme (predecessor of Erasmus+) to improve and streamline the rational of a future programme, a better distinction in the implementation modes (indirect/direct management) has been made since the start of Erasmus+ in 2014. The budget of Erasmus+ is implemented through a combination of indirect management (via National Agencies established in the Erasmus+ Programme countries) and direct management (by the Commission and the Education, Audiovisual and Culture Executive Agency). This has proven a successful mix of management modes, confirmed also by the Erasmus+ mid-term evaluation which found the delivery mechanisms fit for purpose, generally efficient and ensuring good overall coordination.

In the architecture of Erasmus+, the implementation modes are identified in relation to the aims of the key actions and how these can most efficiently be achieved. The implementation through the National Agencies is particularly suitable for reaching out to a variety of organisations, newcomers to the programme and disadvantaged groups. As evidenced by the mid-term evaluation, the current programme reaches out to disadvantaged young people more than its predecessors (11.5% of the total number of participants, i.e. more than double the predecessor programmes, and up to a third of the participants in the field of youth). In addition to regularly planned calls for centrally managed actions, in spring 2018 the Commission (via the Education, Audiovisual and Culture Executive Agency) launched a new central initiative – European Youth Together – with the aim to create networks promoting regional partnerships which will contribute to the youth policy agenda and run in close cooperation with young people from across Europe. The initiative builds on the strength of European civil society and will support the development of more structured cooperation between youth organisations, including EU-wide organisations.

The Erasmus+ Programme Committee oversees the implementation of the programme and according to its rules of procedure has the possibility to meet in specific configurations to deal with sectoral issues if and as it deems appropriate.

For the future, the Commission has proposed a series of measures to make the new Erasmus programme even more inclusive and accessible, for example by easing access for small organisations, strengthening outreach and involvement via youth organisations, more flexible formats and focus on youth participation. A proposed action - partnerships for innovation – aims to boost innovation and forward-

looking ideas that can help improve education and training, youth and sport policies and systems and would be managed centrally by the Education Audiovisual and Culture Executive Agency. It will provide opportunities for key stakeholders to lead and implement innovative projects. Another proposed action - small scale partnerships – would be designed to facilitate access in particular for grassroots organisations and newcomers to Erasmus and would be implemented by the National Agencies. In addition, in the frame of centrally managed measures for policy development and cooperation, the programme will continue supporting policy dialogue and cooperation with stakeholders such as European NGOs, civil society organisations and networks at European level.

Civil society organisations and networks are and will remain key partners and multipliers for the quality implementation and wider impact of the programme. The Commission will continue supporting, engaging with and involving youth organisations and other civil society organisations through different means and fora to strengthen dialogue and mutual cooperation.

Supporting docs:

- Interim Evaluation of the Youth in Action Programme: https://ec.europa.eu/youth/sites/youth/files/youth-in-action-interim-evaluation-2011_en.pdf

-Impact assessment accompanying current Erasmus+ programme: http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2011/sec_2011_1402_en.pdf

-Mid-Term Evaluation of Erasmus+ 2014-2020: COM(2018) 50 final and SWD(2018)40 final:

<https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=COM:2018:50:FIN>

<https://ec.europa.eu/assets/eac/erasmus-plus/eval/swd-e-plus-mte.pdf>

-Central calls can be consulted here: https://eacea.ec.europa.eu/erasmus-plus/funding_en

-European Youth Together: https://eacea.ec.europa.eu/erasmus-plus/funding/european-youth-together-eacea162018_en

137. (§ 379 - 2016/PAR/0557) The European Parliament points out that the Commission's own Education, Audiovisual and Culture Executive Agency (EACEA) says that the Europe for Citizens programme reached full maturity in 2016, in its third year of implementation; calls, therefore, on the Commission and Council to allow properly for the long time-frames that have proved necessary for full implementation of new programmes within the 2014-2020 MFF in order to prevent similar delays from occurring within the financial framework to be established after 2020.

Commission's response:

The Education, Audiovisual and Culture Executive Agency (EACEA) and the Commission cannot confirm a delay in the programme implementation. In fact 2016 was the third year of the implementation of the new programme Europe for Citizens 2014-2020, and could be deemed the year in which the programme has reached maturity and entered into its stride, whilst the previous programme cycle

(2007-2013) is reaching its end. The effective management of the Europe for Citizens 2014-2020 programme has been demonstrated by the Agency's indicators such as total time to grant beneficiaries, which used to be the shortest at the Agency level.

Further information on the Agencies' programme management can be in particular found on page 28 of its AAR. The Agency has ensured and will continue to ensure that programme implementation is carried out fully in line with the Work Programme endorsed by EU Member State delegates in the management committee.

138. (§ 383 - 2016/PAR/0558) The European Parliament reiterates its support for independent media coverage of European affairs, notably through budgetary assistance for television, radio and online networks; welcomes the continuation of the grant for Euranet+ until 2018 and urges the Commission to find a more sustainable funding model for the network.

Commission's response:

The Multimedia Actions budget is structurally too low under the current MFF to sustain funding for Euronews and Euranet Plus.

Thanks to an exceptional budget increase in 2016 the Commission prolonged the contract with Euranet Plus, signed in 2012, one last time, from 7 March 2016 to 6 March 2017. As this was the last possible prolongation, the Commission prepared a more sustainable funding structure for the future, while taking into account the findings of an independent evaluation finalised in 2016. This resulted in a two-year grant, financed from the 2017 budget, to cover the activities of Euranet Plus until 21 August 2019.

Civil liberties, Justice and Home Affairs Committee's opinions

139. (§ 384 - 2016/PAR/0559) The European Parliament recalls that special instruments were used extensively in 2016 to respond to the humanitarian situation faced by asylum-seekers in the Union and that there is therefore a risk that the amounts left until the end of the current MFF may not be sufficient to respond to unexpected events that may occur before 2020; requests the Commission to solve this structural issue in the next MFF and to properly inform the Parliament.

Commission's response:

The Commission's proposals for the multiannual financial framework for 2021-2027 provide for built-in reserves to create flexibility within programmes and propose to increase the amount that can be transferred from one programme to another within the same heading to 15%. The Commission also proposes the possibility of "blending" different forms of financial support, moving between different modes of management, "reprogramming" funding at mid-term as well as specific revisions of national allocations to adjust to developments over the period.

As to flexibility between headings and years, the Commission proposes, to ensure sufficient unallocated margins and to fully exploit the Global Margin for Payments. The Commission proposes to expand the size and scope of the Global Margin for Commitments in order to establish a "Union Reserve" financed from margins left available under the ceilings for commitments of the previous financial year, as well as through funds that have been committed to the EU budget but ultimately not spent in the implementation of programmes.

The Commission has reviewed the scope of special instruments such as the Emergency Aid Reserve, the European Union Solidarity Fund and the European Globalisation Adjustment Fund. The Commission proposes, where appropriate, to widen the scope of the instruments, for instance by allowing the activation of the Emergency Aid Reserve for emergencies inside the EU. The Commission also proposes to streamline the procedures for mobilising these instruments, and to increase the size of the flexibility instrument to EUR 1 billion per year.

140. (§ 385 - 2016/PAR/0560) The European Parliament urges the development of a coherent and systematic strategy with clearer, stronger and long-term political and operational priorities for protecting fundamental rights and freedoms, while ensuring its effective implementation also by granting sufficient funds for this purpose.

Commission's response:

Protecting and promoting the fundamental rights and freedoms enshrined in the EU Charter of Fundamental rights is one of the ten priorities of this Commission. The importance of this priority for the Commission is reflected by the fact that its implementation was put under the direct responsibility of First Vice-President Timmermans.

Following the entry into force of the EU Charter of fundamental rights as a legally binding instrument, the Commission adopted a strategy [COM(2010)573] to make the Charter rights a reality in people's lives.

This strategy covers all Charter rights without prejudice to the development of a number of initiatives actively promoting certain specific fundamental rights such as the protection of personal data, children's rights, non-discrimination and combating racism, xenophobia and other forms of intolerance, intellectual property, freedom of movement, victim's rights, procedural standards, etc.

As part of this strategy the Commission checks the compliance with fundamental rights of its own initiatives and strives to develop a culture of fundamental rights in the work of its services (e.g. through fundamental rights compliance checks within impact assessments in all areas, operational guidance on fundamental rights and staff training, etc.). It also closely cooperates with the co-legislators to ensure that fundamental rights remain a central concern in the negotiations. The EU must indeed be exemplary in respecting fundamental rights. Next to this, the Commission also plays its role as guardian of the Treaties and intervenes when a Member State breaches Charter rights when implementing EU law. Recent examples can be found in particular in the Commission's 2017 Charter Report adopted on 4 June 2018.

Furthermore the Commission promotes awareness of the Charter amongst citizens and professionals to ensure that the Charter is used and remains a living instrument (e.g. E-justice online tool with a specific fundamental rights wizard helping people find out where to turn to when their rights are violated, training for judges and legal practitioners, events, publications, etc.). On awareness raising it closely cooperates with Member States and key stakeholders such as the EU Agency for Fundamental Rights.

Every year, as part of this strategy, the Commission reports on the application of the EU Charter. The Commission's annual reports give an overview of instances where the European institutions promoted and took into account the Charter in their legislative and policy work. They further explain where Member States were required to respect it when they implemented EU law and where EU and national courts have referred to the Charter. In covering the full range of Charter provisions on an annual basis, the annual reports tracks progress and identify areas where further efforts are still necessary and where new concerns are arising. The 2017 report gives a number of concrete examples that illustrate the Charter's relevance in addressing the pressing challenges the EU is facing and in making fundamental rights a reality in people's lives.

EU programmes support the Commission's strategy with specific funds. This is the case for example of the current Rights, Equality and Citizenship programme, the Justice programme, Europe for Citizens or Erasmus+. It will be the case also of the future Justice, Rights and Values programme which provides for increased funding and gives EU values an ever more prominent and visible place in funding priorities. The Commission counts on the European Parliament's support in the negotiations.

In upholding fundamental rights and promoting a culture of fundamental rights in the EU the Commission closely cooperates with other EU institutions and bodies, EU Agencies such as the EU Agency for Fundamental Rights, international organisations, national authorities, rights defenders and civil society. Rights defenders and civil society organisations play a crucial role to ensure the

effectiveness of fundamental rights on the ground. As parts of its strategy, the Commission regularly exchanges with civil society organisations. It organises an annual colloquium on fundamental rights to improve mutual cooperation and greater political engagement for the promotion and protection of Charter rights. Every year a different key fundamental rights issue is discussed and concrete avenues are identified to further progress on the implementation of that right. The 2018 colloquium will focus on “Democracy in the EU”. European and national policy makers, civil society organisations, international organisations, the world of education, business and the law will reflect together on ways to foster free and open democracy in the European Union as a pre-condition for the effectiveness of people’s fundamental rights on the ground. This will be particularly important in the run-up to the European elections. The Commission welcomes the European Parliaments’ participation in its annual colloquia.

Protecting and promoting fundamental rights is an ongoing process and a constant high priority for the Commission.

Women's Rights and Gender Equality Committee's opinions

141. (§ 392 - 2016/PAR/0561) The European Parliament calls for gender impact assessment as part of general ex ante conditionality for EU funds, and for the collection of data disaggregated when possible by sex on beneficiaries and participants.

Commission's response:

The Commission cannot accept this recommendation, for the following reasons:

- *Formally, requiring prior "gender" impact assessment should be ruled through legal provision in the regulation and cannot be handled through enabling conditions, which could be fulfilled after the adoption of operational programmes;*
- *The Commission has already adopted the proposal for the regulatory framework on 29 May 2018, which is under formal negotiations with the co-legislators. It is the competence of these latter, in the context for the corresponding negotiation framework, to propose possible amendments;*
- *The Commission is proposing for the 2021-2027 structural funds that Member States shall be obliged, under the enabling condition applying to 4.1 ERDF, 4.1.3 ESF and specific objectives, to adopt a national strategic framework for gender equality.*
- *On substance, promoting gender equality is a horizontal obligation stemming from the Treaty, which is thus directly applicable. Moreover, the principle has been stressed in the recitals of the proposed Common Provisions Regulation (CPR) and shall also govern the selection of operations, pursuant to article 67.*
- *In addition, the proposed CPR pursues ambitious simplification objectives and, in this regard:*
 - o The obligation of carrying out ex-ante evaluations prior to the adoption of programmes has been cancelled and the introduction of preliminary "gender" impact assessment would represent in this regard important and inopportune burden for managing authorities*
 - o Similarly, requiring managing authorities to collect and process data on beneficiaries and projects, broken down by sex would trigger substantial administrative costs, including for the beneficiaries providing the original data, whereas the benefits are questionable.*

142. (§ 394 - 2016/PAR/0562) The European Parliament calls for a renewed commitment by Parliament, the Council and the Commission to gender equality in the next MFF, by means of a joint declaration attached to the MFF, including a commitment to implement gender budgeting and an effective monitoring of the implementation of this declaration in the annual budgetary procedures by including a provision in a review clause of the new MFF regulation.

Commission's response:

In the context of the preparation of its proposals for the 2021-2027 MFF and in particular the 'spending review' (Staff Working document SWD(2018)171), the

Commission examined ways to integrate important cross-cutting policy priorities such as gender equality in EU programmes. This analysis concluded that the coherence of policies and of the overall design of the future financial framework was essential, ensuring that individual programmes are complementary to support efficiently policy objectives. The Commission proposals for the 2021-2027 multiannual financial framework are based on the integration of gender equality in EU funding programmes, through programme design, specific programme objectives or programme targets supported by a robust performance framework, with a view to promoting gender-responsive policies.

EDF

143. (§ 7 - 2016/PAR/0563) The European Parliament urges the Commission to act to solve the issue of recoveries of unspent pre-financing incorrectly recorded as operational revenue as this incorrect recording of operational revenue has led to corrections amounting to EUR 3,2 million.

Commission's response:

The requested action has been taken. The Commission has taken necessary measures for preventing errors in the encoding of recovery orders. New instructions and guidelines have been developed and transmitted to the authorising officers. Controls have been reinforced through the development of a data quality dashboard which identifies potential errors and allows for necessary corrections in due time.

144. (§ 15 - 2016/PAR/0564) The European Parliament is concerned by the recurrence and persisting typology of errors, in particular in the area of public procurement, despite consecutive corrective action plans, i.e. non-compliance with procurement provisions with a case of services contracts awarded without a competitive selection procedure, expenditure not incurred, ineligible expenditure or lack of supporting documents; observes that those errors were also related to transactions linked to programme estimates, grants and contribution agreements between the Commission and international organisations; calls on the Commission to address the shortcomings in contract management, selection procedures, document management and the procurement system as a matter of urgency.

Commission's response:

The requested action has been taken. Following the reservation in DG DEVCO's 2016 Annual Activity Report (AAR) as regards the error rates, a new action plan has been adopted in August 2017 in order to tackle further the weaknesses in DG DEVCO's control system; it contains targeted actions addressing all high risk spending areas as identified in the AAR. The Commission considers that by implementing the measures foreseen, the level of error will be further reduced. Attention will also be drawn to the typology of errors during future awareness raising activities in HQ and in EU Delegations (including seminars and notes).

145. (§ 16 - 2016/PAR/0565) The European Parliament reiterates that the Commission should intensify its efforts in those specific areas of cooperation by refining its existing corrective action plan, in particular when quantifiable errors point to shortcomings in the checks by international organisations on compliance with contractual provisions, as a part of the general effort to improve risk management methods, the overall reinforcement of the monitoring systems and business continuity.

Commission's response:

The Commission is taking the requested action. The new action plan set up in 2017 following the reservation based on error rates in DG DEVCO's 2016 Annual Activity Report (AAR) includes notably the following specific action points:

- Adapt the Terms of Reference (ToR) for verification missions to International Organisations emphasising legality and regularity;

- Continue and reinforce cooperation with International Organisations in view of sustainable reduction of errors;

- Adapt the pillar assessments and the delegation agreement template for indirect management with International Organisations to the requirements of the Financial Regulation revision.

The Commission will report on the implementation of the action plan during the third quarter of 2018, one year after its launch.

146. (§ 17 - 2016/PAR/0566) The European Parliament invites DG DEVCO to pay due attention to the encoding and monitoring of payments in order to respect the set deadlines in the financial circuit and workflows.

Commission's response:

The requested action has been taken. The timely registration and payment of invoices was designated as a priority by DG DEVCO in 2017. Several measures were taken such as the creation of new KPIs measuring the percentage of invoice registered within the regulatory period of seven calendar days and the percentage of payments made within the contractual deadlines. As a result of continuous monitoring, and thanks to the efforts made by all Authorising Officers in Headquarters and in European Union Delegations, very good results were achieved in 2017 by DG DEVCO:

- 89.7% of the EDF invoices were registered within 7 calendar days compared to 79.5% in 2016;***
- 89.82% of EDF invoices were paid within the contractual deadlines compared to 85.69% in 2016.***

147. (§ 25 - 2016/PAR/0567) The European Parliament supports the fact that the Commission has maintained its reservation concerning the APF related to governance and reporting on corrective measures in the management of funds; reiterates its call on the Commission to continue its efforts within the pillar assessment exercise towards reinforcing the control system for the management and operational monitoring of the APF in view of protecting the EDFs against illegal and irregular expenditure; asks the Commission to continue to reinforce the design and effectiveness of the remedial measures at contract level.

Commission's response:

The Commission is taking the requested action. The Commission continues to implement the control mechanisms put in place to protect the EDF against illegal and irregular expenditure. A third external review of the AUC pillar assessment roadmap was carried out in April 2018 and concluded positively, indicating that the AUC has made great progress towards being prepared to undergo a new fully-fledged pillar assessment. It was decided during the 4th AUC-COM Steering Committee that took place on 17 April 2018 to make a last evaluation of the situation in September 2018 (in particular to check that the AUC finalises its asset

valuation in order to ensure IPSAS compliance) and, if positive, to launch the pillar assessment still in 2018.

148. (§ 30 - 2016/PAR/0568) The European Parliament invites DG DEVCO to improve significantly its monitoring and performance reporting arrangements to ensure that key indicators established in the different performance systems are systematically and regularly monitored and that appropriate and reliable information is provided to senior management on a timely basis; reiterates that social and environmental aspects, as well as economic aspects, have to be taken into account when assessing development objectives.

Commission's response:

The Commission is taking the requested action. DG DEVCO's monitoring and reporting systems have been significantly stepped up over the last four years. Annual results reporting exercises have been conducted since 2015 on a large sample of projects completed in the previous year. All results data collected have been made available to managers at different level for internal decision making as well as for project evaluations. Selected results have been aggregated through the EU Results Framework (EU RF) also set up in 2015. Following a dedicated Results Report in 2015, all data aggregated through the EU RF has been included in the External Assistance Annual Report (Chapter 2) and in DG DEVCO's Annual Activity Reports (AAR).

In parallel, DG DEVCO continues to implement the Results-Oriented Monitoring (ROM) system, covering a large sample of ongoing projects. The ROM is an external monitoring system assessing project performance and providing operational managers with recommendations to improve project's effectiveness and efficiency during implementation. Consolidated reports with key findings are produced on a yearly basis and shared with senior management. Other actions that have been put in place include: a) dedicated technical assistance established in 2016 to support design of Action Documents, focusing on enhancing quality of results, indicators and monitoring systems; b) updated tools (e.g. webinars) and internal guidances on indicators to strengthen monitoring and reporting on results at all levels.

Last but not least, substantial work is being undertaken in 2018 to develop the new IT platform 'OPSYS' in collaboration with DG DIGIT. One of its first releases (track 1) is dedicated to results monitoring at project level, offering a live view of the performance of DG DEVCO's portfolio of projects to managers at all levels. Track 1 is expected to become operational in the course of 2019.

149. (§ 32 - 2016/PAR/0569) The European Parliament calls on DG DEVCO, along with other external affairs stakeholders, to further develop its communications strategy and tools by highlighting the main results achieved, and to further strengthen the overall visibility of EDF-supported projects in order to reach out to a wider public by providing relevant information on the Union's contribution to global challenges.

Commission's response:

The requested action has been taken. Apart from the African Peace Facility (APF) public report that is published on a yearly basis, a communication plan was drafted

and is now being implemented through a framework contract that was signed on 31 July 2017. Besides, the 2014-2016 Action Programme of the APF was subject to an external evaluation whose final report has been made public and outlines the main achievements of the instrument. The report was presented to the EU Member States on 28 February 2018 and to a wider audience during a seminar organised by DEVCO on 15 May 2018 (https://ec.europa.eu/europeaid/news-and-events/infopoint-lunchtime-conference-african-efforts-achieve-sustainable-peace_en).

150. (§ 34 - 2016/PAR/0570) The European Parliament is concerned, however, that 980 projects out of 3 151 (31 %) were qualified as problematic and that six Union delegations are still below the benchmark of 60 % of green KPIs; calls on the Commission's services to closely monitor those Union delegations which have recently reached the target of 60 % or which stand just above the 60 % target in order to refine and consolidate the trend analysis of Union delegations.

Commission's response:

The requested action has been taken. All nine Union delegations which had not reached the benchmark of 60% of their KPIs in 2015 actually achieved the benchmark in 2017 (six of them already in 2016). The analysis of the KPI results for all EU delegations is presented and discussed in Management meeting at the end of each quarter. Special attention is given to those delegations whose results are below benchmarks and appropriate mitigation actions are decided as necessary.

151. (§ 35 - 2016/PAR/0571) The European Parliament invites DG DEVCO to consider the possibility of rescheduling or upgrading the benchmark of 60 %; reiterates that the definition of certain KPIs could also be reviewed, depending on the typology of issues identified or the risk environment of each Union delegation, in order to find new margins of improvement.

Commission's response:

The Commission is taking the requested action. The KPI list, KPI definitions and KPI benchmarks are reviewed every year in the context of the Annual Management Plan (AMP). Those modifications aims at improving further the performances of DG DEVCO for some KPIs and/or to focus on new priorities as for instance the respect of the contractual payment deadlines or the timely registration of incoming invoices. Those modifications make the achievement of the general benchmark of 60% of green KPIs in each delegation more demanding. Furthermore, the definition of KPI-5 and KPI-6 changed between the 2014 and 2015 External Assistance Management Report (EAMR) in order to be more forward-looking and risk-based. Each EAMR contains specific questions on the risks as well as the Action Document template for the identification/formulation phases.

However, in many of the EU's partner countries, operations are undertaken in situation of risk linked to security, capacity or climatic hazards. Selecting only the most viable projects would definitely exclude some of the most vulnerable and

poorest people. The Commission is currently upgrading its level of monitoring. A new, more accurate system of projects and programmes monitoring supported by an IT platform to better address situations presenting increasing risk is currently under preparation. With the entry into production of the new information system 'OPSYS' in 2019, the definition of KPI 5 and 6 shall be reviewed.

152. (§ 36 - 2016/PAR/0572) The European Parliament points out that it is important to ensure that programmes are calibrated and not overly ambitious, which would jeopardise the expected results of the assistance; invites DG DEVCO, as a result of the monitoring of the performance of Union delegations, to maintain realistic pipelines of projects in Union delegations.

Commission's response:

The Commission is taking the requested action. The quality review process for the design stage of Action Documents is currently under revision to ensure both improved policy coherence and quality. A revised workflow, templates and guidance will be introduced in the third quarter of 2018. With the introduction of the new operational information system 'OPSYS' in 2019, monitoring at project level will also be enhanced thus allowing for improved management of projects at all levels.

153. (§ 38 - 2016/PAR/0573) The European Parliament asks the Commission to report immediately on the specific remedial actions taken when a project has been classified as 'red' for two consecutive years in order to rapidly re-examine the initial design of the project, eventually reallocate funds to more viable projects and needs, or even consider the possibility of stopping the project.

Commission's response:

The Commission is taking the requested action. Projects scoring 'red' for two consecutive years are identified following the EAMR exercise. Relevant information about projects flagged as such (KPI 5 and 6) is presented in the Annual Activity Report (AAR). In 2017, only 67 projects were 'red flagged' for two consecutive years. It is envisaged that, in the AAR 2018, DG DEVCO will insert additional information on the main projects flagged as such, including details on problems and corrective measures taken.

154. (§ 42 (In connection with § 40 and 41) - 2016/PAR/0574) "The European Parliament [recognises that Union trust funds were designed to provide a rapid political response in the context of a lack of resources to certain critical situations or major crises, such as the migration crisis, or the need to link relief, rehabilitation and development;

Understands that, in such circumstances, dedicated Union trust funds offer flexibility and a range of possibilities combining geographic and thematic interventions via different windows]; stresses, however, that the Commission must ensure that such trust funds add value to existing actions, contribute to increased visibility of the Union's external action and soft powers, and avoid duplication of other financial tools.

Commission's response:

The Commission is taking the requested action. The Commission agrees that EU trust funds should only be used where they provide added value and a clear advantage for visibility and management, not to duplicate existing funding channels. The revised EUTF guidelines will underline these aspects in particular. The Commission believes that the existing trust funds, which are at a different stage of implementation, have demonstrated their added value.

In the case of the EUTF for Africa, it has proved to be a swift and effective implementation tool: it has attracted funding from different sources of the EU budget, the EDF, EU Member States and other donors, pooled together expertise and experiences from a variety of stakeholders, facilitated dialogue with partner countries and, more importantly, is producing concrete and visible results. Through the EUTF for Africa, the EU action to better manage migration, fight against trafficking and smuggling and providing protection and support to migrants, has become more visible. Since its establishment, the EUTF for Africa has also ensured complementarity with actions supported by other financial tools.

At last, the Colombia Trust Fund - the latest of the EUTFs - is the most visible and politically significant tool of the EU cooperation in Colombia, allowing to portray an image of joint EU-Member States action.

155. (§ 45 - 2016/PAR/0575) The European Parliament welcomes Special Report No 11/2017 of the Court on the Bêkou trust fund; recognises that despite some shortcomings the Bêkou trust fund was a hopeful beginning and observes that setting up a trust fund was a rapid response to the need to link relief, rehabilitation and development; calls on the Commission to follow the Court's recommendations in order to prepare guidance on the choice of aid vehicle (trust fund or other); is of the opinion that such guidance must reflect the possible risks posed by, and disadvantages of, trust funds and take into account the mixed experience in their use so far; regrets that the Bêkou trust fund has not significantly improved general donor coordination.

Commission's response:

The Commission is taking the requested action. The Commission has developed the trust fund guidelines which include a section on the conditions to establish a trust fund. The Commission is currently revising these guidelines based on recommendations received and experience in their implementation so far. This revision will include a more detailed description of the criteria laid out in the Financial Regulation (FR) to evaluate the conditions to establish EU trust funds on the basis of an analytical framework. In this regard, the Commission considers that by assessing the conditions for the establishment of an EUTF, the question of the comparative advantages of other aid vehicles will be addressed.

156. (§ 54 (In connection with § 277 from Part XXI - Special Report No 11/2017) - 2016/PAR/0576) The European Parliament believes that the Bêkou trust fund's limited influence on coordination amongst stakeholders should be given special attention and that the Commission should do everything in its power to use the experience it has gained in the activities of the EDFs in areas such as the

implementation and coordination of multi-party investments and result-ownership management.

Commission's response:

The requested action has been taken. The Bêkou Trust Fund already coordinates its activities with other relevant donors and actors. The Commission nevertheless agrees that coordination opportunities should be taken advantage of by all participants in the TF.

In this context, a specific point on donor coordination has been systematically included in the agenda of the Bêkou TF Operational Committee (OpCom). Moreover, in July 2018, a specific mapping exercise has been launched among all members of the OpCom in order to improve donor coordination.

157. (§ 57 (In connection with § 281 from Part XXI - Special Report No 11/2017) - 2016/PAR/0577) The European Parliament calls on the Commission to implement comprehensive control mechanisms to ensure political scrutiny from Parliament on the governance, management and implementation of these new instruments in the context of the discharge procedure; considers it to be important to develop specific supervision strategies for Union trust funds, with specific objectives, targets and reviews.

Commission's response:

The requested action has been taken. As prescribed by both the current and future Financial Regulation, trust funds are tools to implement the budget in the field of external action. It follows from the above that the decision-making procedure on the use of funds within EUTFs is a prerogative of the Commission. The oversight and information of the Parliament is however ensured by the Commission's reporting on EUTFs and particularly by:

- the monthly reporting on the state of implementation of each EUTF;*
- the yearly report on the activities supported by EUTFs, their implementation and performance, and on the EUTFs accounts;*
- the six-monthly financial reporting on the operations carried out by each EUTF.*

158. (§ 60 - 2016/PAR/0578) The European Parliament urges the Commission to expand result-oriented budget support by better defining the development outcomes to be achieved in each budget support programme and sector, and above all to enhance control mechanisms concerning recipient states' conduct in the areas of corruption, the respect for human rights, the rule of law and democracy; expresses deep concern about the potential use of budget support in countries lacking democratic oversight, either due to the lack of a functioning parliamentary democracy or freedoms for civil society and the media or due to a lack of capacity of oversight bodies; calls for a corruption-free expenditure chain to be set up; considers it a priority to tie this support to corruption being fought effectively in countries benefiting from budget support.

Commission's response:

The requested action has been taken. The respect of fundamental values are systematically assessed in all budget support operations and the fight against corruption and fraud is a key concern; a risk management framework is used to identify and monitor risks and develop mitigating measures in a structured way, including on political risks (Universal values, fundamental rights, insecurity) as well as conflict, corruption and fraud. The update of the budget support guidelines reinforces the guidance on the fight against corruption as well as on the increased emphasis and inclusion of respect of human rights, rule of law and democracy. The updated guidelines also include improved guidance on the definition of objectives and reporting templates. Furthermore, combining support to public financial management, the set-up of a credible anti-corruption system based on judicial independence, and the improvement of business climate through reforms for competitiveness and legal security of investments, introduces a systemic approach to the fight against corruption. In this manner, the Commission contributes to the setting up of a corruption free expenditure chain but underlines that this goal is not likely be reached in the foreseeable future. The EU fights against corruption in its external actions through a combination of instruments that include:

- Support to public administration reform and sound public financial management, including the development of integrity and accountability frameworks;*
- Support to the fight against economic/financial crime through capacity-building for law enforcement and judicial authorities, and support to Justice and Security sector reforms (including police reform);*
- Support to establishing a robust legal framework in line with international standards on preventing and fighting corruption;*
- Support to establishing and strengthening specialized anti-corruption bodies;*
- Support to civil society, the media, whistle-blowers, human rights defenders, as well as Supreme Audit Institutions and Parliaments in exercising their oversight and control functions;*
- Support to the improvement of the business and investment climate and customs reform.*

159. (§ 62 - 2016/PAR/0579) The European Parliament calls on the Commission, however, to ensure that budget support and disbursement of funds is revised, withheld, reduced or cancelled when clear and initial objectives and commitments are not achieved and/or when the Union's political and financial interests are at stake.

Commission's response:

The requested action has been taken. The updated guidelines on budget support include a strengthened annex on the intervention logic. They also contain further instructions on conditionalities and performance indicator design for budget support operations. These are verified through the control chain during the

preparation of the operations as well as before each disbursement. Conditionalities and performance indicators, as well as the expected results, are systematically verified in detail before each disbursement on technical and strategic level, taken the Union's interests into account. The disbursement is approved only when agreed results have been achieved.

160. (§ 64 - 2016/PAR/0580) The European Parliament stresses the importance of domestic revenue mobilisation in less-developed countries as it reduces dependence on development aid, leads to improvements in public governance and plays a central role in state-building; calls for the use of disbursement conditions specific to domestic revenue mobilisation to be strengthened in good governance and development contracts.

Commission's response:

The requested action has been taken. Strengthened guidance has been included in the update of the Budget Support guidelines. Furthermore, better information on DRM has been provided in the Budget Support report trends and results 2017 (December 2017) as well as through the reporting on the implementation of the Addis Tax Initiative (June 2017). Both reports are regular and are maintained on an annual basis.

161. (§ 65 - 2016/PAR/0581) The European Parliament points out that the Commission has not yet effectively used budget support contracts to support domestic revenue mobilisation in low and lower-middle income countries in Sub-Saharan Africa; notes, however, that the Commission's new approach increased the potential of this form of aid to effectively support domestic revenue mobilisation; invites the Commission to provide more information in its budget support reports concerning the use of budget support contracts for domestic revenue mobilisation.

Commission's response:

The requested action has been taken. More information on DRM has been provided in the Budget Support report trends and results 2017 (December 2017) as well as through the reporting on the implementation of the Addis Tax Initiative (June 2017). Both reports are regular and are maintained on an annual basis.

162. (§ 67 - 2016/PAR/0582) The European Parliament points out challenges related to tax avoidance, tax evasion and illicit financial flows; calls on the Commission to adhere to its guidelines when conducting macroeconomic and public financial management assessments of aspects related to domestic revenue mobilisation in order to obtain a better overview of the most problematic issues, e.g. the scale of tax incentives, transfer pricing and tax evasion.

Commission's response:

The requested action has been taken. The fight against corruption and illicit financial flows is a European Commission top priority. In a coordinated response with other institutions, actions are taken by the EU through different angles (for instance the EU list of non-cooperative tax jurisdictions, the updated legislative framework on anti-money laundering and beneficial ownership, asset recovery... etc.). Concerning budget support, the update of the relevant guidelines in September 2017 has reinforced guidance on the increased emphasis and inclusion

of these aspects which are monitored and assessed thoroughly before any commitment and disbursement.

163. (§ 68 - 2016/PAR/0583) The European Parliament further invites the Commission to increase its commitment in the fight against tax evasion and tax abuse by decreasing its financial support for blacklisted tax havens through the means of the EDFs in order to create an incentive for those listed countries that encourage abusive tax practices to comply with the Union's fair tax criteria.

Commission's response:

The Commission will not be taking the requested action. The reason for this is that the fight against corruption and illicit financial flows remains a European Commission top priority, including the fight against tax evasion and tax abuse. In a coordinated response with other institutions, actions are taken by the EU through different angles (for instance the EU list of non-cooperative tax jurisdictions, the updated legislative framework on anti-money laundering and beneficial ownership, asset recovery... etc.).

Secondly, financial support to certain listed countries may be provided under the Cotonou agreement. Meanwhile, the listing process is a strong incentive to clarify and amend the relevant legal framework of the country, and financial support serves to assist in complying with the Union's fair tax criteria.

164. (§ 73 - 2016/PAR/0584) The European Parliament invites the Commission, for all existing and future budget support contracts with a capacity development component earmarked for domestic revenue mobilisation, to increase partner countries' awareness of the availability of this support and facilitate its use, in particular to address capacity development needs not yet covered by other donors.

Commission's response:

The requested action has been taken. Strengthened guidance on this subject has been duly included in the updated Budget Support guidelines produced in September 2017.

165. (§ 78 - 2016/PAR/0585) The European Parliament recalls the need for EDF financial tools to attract further investments from the private sector; encourages the Commission to draw up an action plan that would address this need and to inform the discharge authority on the progress made.

Commission's response:

The Commission is taking the requested action. The Commission fully agrees that mobilising the private sector and attracting further investments is key to secure the best building blocks for sustainable development in our partner countries, given the funding gap required to reach the ambitious development goals. The actions currently defined - in particular the EFSD funding priorities and support criteria and its reporting, together with the operational reports for the other EDF-funded facilities - give full account on the need to boost further private sector and inform the discharge authority on progress made.

The above actions shall be complemented by annual reporting of the 11th EDF - Intra-ACP - Private Sector Development Programme (600 MEUR) in collaboration

with the ACP secretariat, starting in the first quarter of 2019. This programme covers various aspects of investment climate and business enabling environment, value chains, access to finance for SMEs, financial inclusion and relevant knowledge management. Beyond the expected wider systemic effect for private sector investment from the implementation of the various components, it is to be noted that 400 MEUR are specifically allocated to the promotion of access to finance for SMEs to be implemented as blended finance operations, thus anticipating the crowding of further private sector investments.

Furthermore, ad-hoc informative sessions devoted to the role of private sector with the participation of DG DEVCO and the discharge authority may contribute to provide further detailed information and clarifications as well as to facilitate discussions on projects with an impact on private sector development.

166. (§ 79 - 2016/PAR/0586) The European Parliament calls on the Commission to provide for the double purpose of transparency and Union visibility and to provide further information on projects managed with Union funds in the next Commission' reporting; believes that deepening the dialogue with the United Nations and the World Bank Group should be intensified for the purpose of enhanced transparency and simplification of joint cooperation instruments.

Commission's response:

The Commission is taking the requested action. In order to provide more information on work with international organisations, and in addition to what already available in its annual report on external actions, DG DEVCO could further provide an annex on global amounts committed and paid to international organisations. It is important to note, though, that there are no "joint cooperation instruments".

More broadly, DG DEVCO continues to strengthen the dialogue with the UN and the World Bank Group (WBG) in order to increase aid effectiveness and find synergies wherever possible.

Some examples of increased dialogue with the WBG, include:

(i) the launch of the High-Level Dialogue on development between the WBG and the Commission (DEVCO) in November 2017 which resulted in a set of shared objectives and a roadmap, including more upstream joint analysis in order to increase our joint impact on the ground,

(ii) the planned second WBG-European Commission High-Level "Deep Dive" Meeting on Jobs and Growth, and

(iii) the 15th meeting between the European Executive Directors of the WBG Board and the EU institutions in March 2017, where both institutions shared priorities and examined with these EU Member States representatives in the WBG Board how to keep reinforcing European cooperation within the WBG and between the WBG and the EU institutions.

This is in line with the orientations on implementation modalities of Commissioner Mimica, that call for a more targeted and strategic cooperation with international organisations and DG DEVCO's structured approach to International Financial Institutions.

A similar approach is taken with regard to the UN as a whole and with major UN agencies and programmes. In February 2017 the High Level Development Policy Dialogue with UNDP was resumed. There are similar dialogues with other agencies and programmes as well: UNICEF, FAO, etc., whether with DG DEVCO or also with other DGs and the EEAS.

The European Commission in 2017 established with the UN the Spotlight Initiative on the fight of violence against women and girls, which brings in the joint work of the different UN agencies and Programmes, a good way to anticipate on the reform of the UN Development System, now adopted by the UN. The Commission participates, together with the UN, at the Steering Committee of this project.

Moreover DG DEVCO publishes to International Aid Transparency Initiative (IATI) its commitments and payments, including to the United Nations and the World Bank Group. Since both the United Nations system and the World Bank Group have embraced this initiative, a dialogue with regard to transparency is already taking place in view of further improvements.

167. (§ 80 - 2016/PAR/0587) The European Parliament calls on the Commission to make available to the public not only the data concerning the financing of NGOs but also detailed reports on the projects funded; expresses concern about the recent allegations of misconduct made against certain NGOs; calls on the Commission to monitor actively the development of the situation and, where necessary, to reassess the funding granted.

Commission's response:

The Commission is taking the requested action. The Commission publishes information concerning the financing of NGOs as open data to the International Aid Transparency Initiative (IATI); this data is updated monthly. Furthermore, the Commission is already working on mitigation measures concerning the recent allegations of misconduct made against certain NGOs.

Besides, DG DEVCO is currently working on reinforcing ethic clauses to be inserted in grant and procurement templates in order to underline that physical and sexual abuse or harassment represents professional misconduct which can lead to suspension or termination of the contract. A reporting obligation will be inserted for such cases.

168. (§ 88 - 2016/PAR/0588) The European Parliament recalls the fact that climate change is one of the greatest challenges facing the Union and governments across the globe; strongly calls on the Commission to fulfil its commitments based on the Paris Agreement to strengthen the climate conditionalities of Union funding to finance only climate-compatible projects reflecting the Union's climate objectives, which will require an increased consistency in selection criteria.

Commission's response:

The Commission is taking the requested action. The Commission has already taken important steps towards the implementation of the recommendation. Climate change is recognised as one of the main global challenges in the New European Consensus on Development which is setting as clear aim of the EU development cooperation to implement the 2030 Agenda and the Paris Agreement on Climate

Change through coordinated and coherent action, maximising synergies. The Directorate-General for International Cooperation and Development (DEVCO) has continued enhancing its efforts to integrate climate change into all the sectors of its development cooperation: a mainstreaming facility is in place, guidelines and sector notes are developed and a screening of all new programme proposals from the climate impact point of view is carried out systematically. As established in the recently adopted Staff Working Document on "Empowering Development - Implementation of the new European Consensus on Development in energy cooperation ", energy cooperation focuses on renewable energy, energy efficiency and reduction of greenhouse gas emissions while the agriculture sector now reaches close to 50% of climate relevant investments.

Furthermore, the proposal of the Commission for establishing the 'Neighbourhood, Development and International Cooperation Instrument' for the period 2021-2027 foresees appropriate environmental screening, including for climate change impacts, to be undertaken at the level of actions, in accordance with the applicable legislative acts of the Union (including Directive 2011/92/EU).

169. (§ 89 (In connection with § 330) - 2016/PAR/0589) The European Parliament is worried by the Court's finding that the Union certification system for the sustainability of biofuels is not completely reliable ; underlines the potentially negative consequences for developing countries since, as stated by the Court, "the Commission did not require voluntary schemes to verify that the biofuel production they certify does not cause significant risks of negative socioeconomic effects, such as land tenure conflicts, forced/child labour, poor working conditions for farmers and dangers to health and safety", and therefore requests the Commission to address this issue.

Commission's response:

The Commission acknowledges that social sustainability criteria are very important issues. However, it is important to recall that the Commission assesses the voluntary schemes against the requirements contained in Directive 2009/28/EC, which do not include social criteria. Therefore, the Commission is not in a position to oblige the certification schemes to cover these criteria. However, as foreseen in the Directive, the schemes can cover these criteria on a voluntary basis and have to report on their certification activities on a yearly basis.

The Commission has proposed in the recast of the Renewable Energy Directive for the period after 2020, significant changes to the sustainability criteria. The outcome of these negotiations will determine the future scope of biofuel sustainability certification.

The Commission is furthermore aware of the possible negative social consequences that might result from weak or inappropriate land legislation and enforcement schemes, and is assisting to improve such situations. To this end the Commission supported the preparation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, which have been endorsed by the Committee on World Food Security since 2012, and promotes the application of these Guidelines directly in 17 countries aiming to make access and use of land

more secure for local land users and to protect them from involuntary changes of land use caused by external interests.

170. (§ 91 (In connection with § 280) - 2016/PAR/0590) The European Parliament insists that educational material financed by Union funds, including PEGASE (Mécanisme Palestino-européen de Gestion de l'Aide Socio-économique), comply with the common values of freedom, tolerance and non-discrimination through education adopted by education ministers of the Union in Paris on 17 March 2015; asks the Commission to ensure that Union funds are spent in line with Unesco-derived standards of peace and tolerance in education.

Commission's response:

The Commission is taking the requested action. The EU and partner countries have committed to the SDGs. SDG 4.7 specifies, among others, the promotion of a culture of peace and non violence, global citizenship and appreciation of culture diversity. This is the foundation for policy dialogue and programme development with our partner countries. Our actions will be informed by relevant UNESCO documents promoting citizenship and values such as peace and tolerance.

171. (§ 93 - 2016/PAR/0591) The European Parliament invites the Commission to report in a structured manner on the impact of the programmes launched under the Africa trust fund, particularly on the basis of Union result-oriented monitoring and the Africa trust fund results framework to highlight the collective achievements.

Commission's response:

The Commission is taking the requested action. The Commission will report on the results and outcomes of EUTF actions through the Results-Oriented Monitoring system (ROM) and the EUTF results framework: 27 ROM missions have taken place in 2017 and some 20 additional ones will take place in 2018. Moreover, the EUTF results framework has been strengthened in the course of 2018 with 41 common indicators against which all projects will report. The longer-term impact will be evaluated at a later stage when implementation is more advanced.

Additionally, the mid-term evaluation of the Africa EU Trust Fund is to be launched shortly. It will be nourished by mid-term evaluations of programmes funded by the EUTF.

172. (§ 99 - 2016/PAR/0592) The European Parliament reiterates its call for the inclusion of the EDF Funds in the general budget.

Commission's response:

The Communication (COM(2018)321) on the Multi-annual Financial Framework (MFF) for 2021-2027 which the Commission adopted on 2 May 2018 and the proposal for the MFF regulation (COM(2018)322) propose the integration of the European Development Fund into the EU budget as of 2021.

Part I – Special Report No 21/2016 of the Court of Auditors entitled "EU pre-accession assistance for strengthening administrative capacity in the Western Balkans: A meta-audit"

173. (§ 6 - 2016/PAR/0593) The European Parliament regrets that about half of the Union funded projects for strengthening public administration reform and the rule of law were not sustainable; stresses the importance of developing sustainability, especially for projects dedicated to the reinforcement of administrative capacity; regrets that sustainability was not ensured in many cases due to inherent factors such as a lack of budgetary means, staffing and above all the beneficiary's lack of political will to reform institutions; calls on the Commission to build on the achievements of successful projects with quantifiable added value and to secure the sustainability and viability of the projects by setting it as a pre-condition of the projects when implementing IPA II.

Commission's response:

Public administration reform (PAR) requires a long-term, whole-of-government approach, which extends beyond the lifespans of any single government. Therefore, a consistent political commitment is a key success factor for successful implementation of reforms. In order to increase sustainability of both ongoing reforms and EU assistance, the Commission has since the 2014-15 enlargement strategy supported the Western Balkans governments with development of comprehensive, multi-annual PAR strategic framework, including on public financial management (PFM). All governments, except Bosnia and Herzegovina, have adopted the strategic framework and are implementing them. All reform strategies are based on external gap assessments, especially those performed by OECD/SIGMA against the Principles of Public Administration (in 2015 and 2017 respectively). Generally, all governments address in their PAR strategic framework the core areas the Commission defines as integral and inter-linked elements of PAR: Policy development and coordination, Public Service and Human Resources Management, Accountability, Service delivery (including e-government) and Public financial management.

The new approach on PAR underlines that administrative capacity does not depend on quality of civil service alone but highly depends on the quality of general governance structures. Horizontal PAR efforts (on policy development, civil service, accountability, service delivery and public financial management) need to therefore cut cross all sectors to ensure sustainable results. For example, the new PAR approach puts a strong focus on the quality of strategic (sector) policy planning and financial planning to ensure sustainable funding for reforms. Also, the new approach emphasises the need for governments to regularly monitor and report on implementation of their adopted (sector) strategies, so that they are fully accountable on their own commitments and achievements. Also, the new approach emphasises the importance of inclusive and evidence-based policy and legislative development (Better regulation): without proper inter-ministerial and public consultations and regulatory and financial impact assessments, the adopted (sector) laws will likely suffer from poor implementation and enforcement, regardless whether they are content-wise in line with the acquis.

This more comprehensive approach on PAR is now also fully reflected in the EU financial assistance, not only in horizontal PAR programmes but also increasingly in sector assistance. (See answer below - For example, the Twinning Manual requires since July 2017 that twinning projects supporting with acquis alignment have to also ensure a good law-making progress, and where necessary, provide expertise on impact assessments beside content expertise in specific acquis areas.) In parallel, the Commission has substantially improved the policy dialogue on PAR in the Special Groups on PAR. They are now better structured and conclusions of these dialogue meetings are increasingly being published to allow better public scrutiny. The Commission also supports civil society under the Civil Society Facility, to ensure regular monitoring on the government commitments on PAR.

174. (§ 8 - 2016/PAR/0594) The European Parliament calls on the Commission to focus on the fight against corruption and organised crime and to encourage public prosecution and the development of transparency and integrity requirements within public administration as a matter of priority; reiterates the need for a more continuous and stringent strategy and greater political commitment by national authorities in order to ensure sustainable results in this respect.

Commission's response:

The respect of the rule of law, including concrete results in the fight against organised crime and corruption remains central to the enlargement process. The Commission is continuously underlining the need for establishing a solid track record in these areas. It uses to the maximum extent the leverage it has e.g. through the accession negotiations or through the visa liberalisation process. The importance of all this was reiterated in the February 2018 strategy "A credible enlargement perspective for and enhanced EU engagement with the western Balkans" and the April 2018 Enlargement package. Both documents underlined that addressing reforms in the area of the rule of law, fundamental rights and good governance is the most pressing issue for all the Western Balkan countries. The Strategy also provides for a strong engagement to the region to assist them to address remaining gaps as well as a set of tools to monitor progress in this area. The EU is assessing rule of law developments through a variety of tools, including monitoring track records of successful investigations and final convictions, peer-review missions and reports from specialised international organisations. The effectiveness of the fight against serious corruption and organised crime remains a key indicator to measure overall progress in rule of law reforms.

Part II – Special Report No 24/2016 of the Court of Auditors entitled "More efforts needed to raise awareness of and enforce compliance with State aid rules in cohesion policy"

175. (§ 12 - 2016/PAR/0595) The European Parliament calls on the Commission to review its refusal to implement recommendation 4(b), as this may endanger the protection of the Union's financial interests.

Commission's response:

As explained in its reply to the Court's recommendation to check the State aid compliance of those major projects approved before the end of 2012, the Commission cannot accept the recommendation which goes against the Commission's objectives pursued through its guidance given to Member States in 2012 to not systematically re-examine the projects decided before that date – leaving it to Member States the possibility to notify or not - and to provide stability to Member States and beneficiaries as regards the treatment of such projects.

176. (§ 13 - 2016/PAR/0596) The European Parliament can accept the Commission's reticence to put in practice recommendation 4(d), for as long as alternative methods chosen by Member States are as effective as a central register for monitoring "de minimis" aid; calls on the Commission to ensure that this is the case.

Commission's response:

The Commission has taken several actions to ensure that the scope and quality of audit authorities' checks of compliance with State aid is sufficient. In particular, the Commission has revised its checklist for auditing State aid and has shared it with all audit authorities to enable them to use it in their own audits. The revised checklist has been agreed with the Commission competent services for State aid and it is in line with the latest State aid regulation.

For the second part of the recommendation on the set-up of a central register for monitoring de minimis aid, the Commission did not accept the recommendation.

177. (§ 15 - 2016/PAR/0597) The European Parliament calls on the Commission to ensure that national audit authorities are familiar with and verify applicable state-aid rules before filing their annual control report.

Commission's response:

The Commission examines the quality of the work of audit authorities with regards to State aid in different audit procedures: in the Commission's risk-based compliance audits on review of the work performed by audit authorities, which include an examination of the methodology (including check-lists) used by audit authorities for system audits and audits of operations; during re-performance work on audits already done by audit authorities, to check the validity of the reported results; or during the review each year of Annual Control Reports submitted to the Commission by audit authorities, to confirm whether the audit authority's opinion is solidly grounded on the basis of the results of system and operations audits.

The Commission has shared with the audit authorities its audit methodology for state aid cases.

In some cases, the Commission had already recommended to the audit authorities concerned, to reinforce their check-lists to better cover the verification of State aid. The Commission will continue to ensure that audit authorities use appropriate checklists.

Part III – Special Report No 29/2016 of the Court of Auditors entitled "Single Supervisory Mechanism - Good start but further improvements needed"

178. (§ 31 and § 32 - 2016/PAR/0598) The European Parliament [§ 31] recalls that the Commission should have published, by 31 December 2015, a review of the application of Council Regulation (EU) No 1024/2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions; regrets that this did not happen; calls therefore on the Commission to finalise this report as swiftly as possible.

Commission's response:

The Commission adopted a report on the review of the application of Council Regulation (EU) No 1024/2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions on 11 October 2017. The reference is COM(2017)591 final: Report from the Commission to the European Parliament and the Council on the Single Supervisory Mechanism established pursuant to Regulation (EU) No 1024/2013 {SWD(2017) 336 final}. The report has been transmitted to the European Parliament and the Council and may be found at https://ec.europa.eu/info/sites/info/files/171011-ssm-review-report_en.pdf

Part IV – Special Report No 30/2016 of the Court of Auditors entitled "The effectiveness of EU support to priority sectors in Honduras"

179. (§ 41 - 2016/PAR/0599) The European Parliament emphasises, with particular concern, that Honduras is still one of the most dangerous countries in the world for human rights defenders and environmental rights activists, two areas that are often closely linked; points out that, according to data from Global Witness, at least 123 land and environmental defenders have been murdered in Honduras since 2009, many of whom were members of indigenous and rural communities opposing megaprojects on their land, as was Berta Cáceres, whose murder remains unsolved; calls on the Commission to ensure that Union cooperation in Honduras does not in any way undermine the human rights of the Honduran people, and to conduct rigorous monitoring on a regular basis to ensure that remains the case; calls on the Commission, furthermore, to promote the effective implementation of Union guidelines on human rights defenders via the adoption of local strategies to ensure the guidelines are fully put into practice, in cooperation with civil society organisations which already have experience in this area.

Commission's response:

The requested action has been taken. Human rights are among the main priorities for the EU cooperation in Honduras. Not only does the EU performs risks assessments of its interventions in Honduras to make sure that those do not undermine the human rights of vulnerable groups, but the EU is also actively working on the prevention of human rights abuses and the protection of human rights defenders in the wider sense. The EU has indeed developed a local Human Rights and Democracy Country Strategy, in the framework of which it maintains regular dialogue with human rights defenders and civil society organizations on human rights, keeping an open door policy for human rights defenders. An intense political dialogue with the Government in this area takes place on a regular basis and public statements have been issued when the circumstances required it (e.g. post-electoral crisis deaths).

The EU is also publicly accompanying the judicial procedure of the Berta Cáceres case. Priority attention is given to demands on the use of EU's instruments to support HRDs at risk, such is the case of emergency funds. In addition to these activities, the EU's development cooperation with Honduras includes an extensive range of actions to support Honduran national authorities and civil society in their efforts to improve the human rights situation in the country. The EU implements numerous projects financed under the European Instrument for Democracy and Human Rights (EIDHR).

In addition, a new country programme on human rights is currently under preparation, ProDerechos (EUR 8M), aiming at further consolidating and improving the country's national protection mechanism. It also intends to work at the interface of business and human rights, and is geared towards creating links between national authorities, civil society and the private sector to prevent conflicts in the first place. Moreover, the progress towards a law on free, prior and informed consent of indigenous peoples, in line with the ILO Convention 169, has been a central piece for the recently initialled VPA-FLEGT agreement.

180. (§ 48 - 2016/PAR/0600) The European Parliament, although it shares the concern expressed by the Court, agrees with the Commission that, in many cases, a certain degree of flexibility was necessary in order to adapt in the face of the crisis caused by the coup, and that there was a need to respond to extremely urgent situations and meet the basic needs of the people; calls on the Commission to press ahead with its efforts to achieve an effective balance between the flexibility required to adapt to the country's changing circumstances, needs and requirements, the need to address the most pressing challenges, including human rights, the right to life and the right to a decent life, and the need to respond and enhance the potential impact of Union assistance.

Commission's response:

The requested action has been taken. The Commission continues ensuring coherence in its programming, while at the same time allowing for flexibility to take into account new developments and changing national policy priorities. More focus has been already introduced to our programming, now targeting more narrowly defined sectors. Consistency in addressing long-term challenges has been ensured through the confirmation of the priority areas in the framework of the latest Mid-Term review (MTR) exercise of the MIP.

At the same time, some corrective measures and relevant adjustments have been introduced through the MTR by rebalancing financial attributions to better respond to the needs and reinforcement of the financial resources for the support measures of the MIP. These support measures have proved to be one of the most efficient instruments to respond to the changing needs and challenges through short-term technical assistance and other flexible arrangements.

181. (§ 53 - 2016/PAR/0601) The European Parliament expresses its concern at the lack of policy dialogue identified by the Court in certain critical areas receiving assistance under the Support to the National Plan (objectives in the areas of education, national statistics and civil service reform); given that the Commission's policy dialogue facilitates the implementation of Union action and is leading to tangible improvements; calls on the Commission to step up policy dialogue, particularly in strategic and priority sectors, and to remain firm in those areas in which the government does not show much interest or responsiveness, as was the case with the national security and justice policy and the Judiciary Observatory.

Commission's response:

The requested action has been taken. The Commission is making continuous efforts towards strengthening its policy dialogue in the priority sectors by generalising the use of dialogue strategies in all relevant areas. This includes a clear definition of the expected results and outcomes of the dialogue. Dialogue strategies have been drafted for the food security and nutrition sector (March 2017), employment (May 2017) and forestry (April 2017). A Human Rights and Democracy Country strategy was also drafted in 2016 which feeds into the relevant policy dialogue in the rule of law sector. An assessment of the progress of each of the sector dialogue strategies for 2017 has also been carried out demonstrating positive advances in the achievement of the expected outputs. The changing context in Honduras (new administration as of February 2018) will entail a

revision of these sector dialogue strategies by September 2018. Moreover, a joint programming strategy to be endorsed within 2018 should inspire the dialogue strategies of the EU and the Member States. The implementation of those sector strategies has been translated into a more active and dynamic policy dialogue with the Government through different channels.

The policy dialogue has been well structured through the framework provided by the support measures (MADIGEP) which aim to improve capacity building for a more effective and efficient implementation of public policies, all while ensuring that the focal sectors reach maximum results, impact and visibility. This framework is built around three levels: operational, technical and strategic. Moreover, the EU Delegation maintains a multilateral dialogue through the G-16 Donor Coordination platform and the structured dialogue that gathers four times a year with the Government.

While the main interlocutors are the Ministry of Foreign Affairs and International Cooperation as well as the Ministry of Government's General Coordination, all relevant Ministries are involved in this regular dialogue. The dialogue carried out through various meetings is duly documented and the relevant reporting is shared and analysed to assess progress in the different policies.

182. (§ 54 - 2016/PAR/0602) The European Parliament calls on the Commission to continue improving joint programming with the government of Honduras, and with the Union Member States, and, alongside the other donors, to make a special effort with regard to internal coordination in order to ensure that the division of labour is as efficient as possible, to achieve complementarity where possible, and especially to prevent the problems identified by the Court: the proliferation of identical or similar projects (same sectors, same beneficiaries), contradictory or overlapping action or lack of action, particularly in the priority sectors; points out that the Commission should also, alongside the other donors, come up with a quick and effective operational approach in order to reduce time frames, make things more dynamic, and improve efficiency and results.

Commission's response:

The Commission is taking the requested action. The Delegation is working towards joint programming (JP) with the EU Member States and leads the JP process in the country. The three Member States present on the ground (Spain, France and Germany) are involved and Switzerland has also joined the process. A joint strategy is to be prepared by 2019.

The EU is strongly involved in the G-16 Donor Coordination Group and is participating in a number of its working groups. The Delegated Cooperation activities go beyond Joint Programming and towards joint implementation (i.e. with AECID and GIZ). In addition, the EU is promoting data sharing with other donors intervening in the food security and nutrition sector, in particular the World Bank and USAID. A common roster of beneficiaries promoted by the Government of Honduras is helping in these efforts.

On 28 February 2017, the first structured dialogue took place between the Government and G16 under the initiative of the EU. Through this structured dialogue with the Government in sectors including employment and economic

development, the EU is making efforts towards a greater coordination and harmonisation of its support in these areas. Moreover, the Delegation holds regular meetings with the Government of Honduras to review the overall state of play of EU-Honduras cooperation portfolio. This event gathers all relevant Ministries in the country involved in EU actions and programmes and projects are discussed including overall implementation issues, policy aspects as well as relevant technical elements. This portfolio review contributes to the overall view and monitoring of cooperation programmes by both Government and the EU Delegation to unblock possible bottlenecks, thereby accelerating implementation and identifying possible complementarities/synergies with other Government initiatives.

183. (§ 57 - 2016/PAR/0603) The European Parliament acknowledges that the Commission identified these risks and tried to mitigate them; however points out once again to the Commission that budget support is not a blank cheque and that government promises that reforms will be forthcoming are not necessarily a sufficient guarantee; with that in mind, calls on the Commission, in order to mitigate any risks, to continue to make every effort to ensure that the budget support guidelines are followed and complied with at all stages of the procedure; calls on the Commission, furthermore, to avoid budget support in sectors in which a credible and relevant response from the government cannot be assured.

Commission's response:

The requested action has been taken. The Budget Support (BS) Guidelines are applied at all times. New Budget Support Guidelines are in place since 2017. These include instructions to ensure the respect of all Budget Support eligibility criteria including credible and relevant sector policies. In addition, the BS Guidelines ensure that structured assessment, detailed templates and further guidance on policy dialogue are fully and consistently applied.

In order to ensure continuity of the application of budget support guidelines and sector eligibility, the EU Delegation organised a Budget Support capacity-building training on 21st February 2017. This training was aimed at the main Honduran authorities involved in Budget Support, including the main Ministries (the General Coordination of the Government; Employment; Environment) with the participation of Ministers for Employment and Environment in addition to relevant operational staff dealing with Budget Support eligibility reporting. This provided an excellent opportunity to deepen the knowledge on Budget Support eligibility and more robust reporting. An additional BS session with the Minister of Employment and part of his staff took place in 2018.

The EU Delegation maintains regular policy dialogue with the GoH to ensure satisfactory implementation of BS operations in line with the BS Guidelines and towards the development objectives of the relevant programmes. Policy dialogue takes place concerning: credibility and relevance of sector policies and sector reform progress, public finance management progress, macroeconomic stability oriented policies and budget transparency efforts.

184. (§ 59 - 2016/PAR/0604) The European Parliament notes with great interest that Honduras is the first country in which results-oriented budget support has been used;

expresses concern, however, at the fact that the Court concluded that weaknesses in the monitoring tools hindered the assessment of the results achieved, that there were many shortcomings in the monitoring of those results, and that the recommendations made had not been consistently followed; calls on the Commission to draw up a detailed report, including the objectives, indicators and benchmarks that were used, the calculation and verification methods, etc., and to assess their effectiveness and impact for the purposes of measuring the results achieved and, at the same time, improving communication, visibility and the impact of Union action; calls on the Commission, furthermore, to place more emphasis on the results as regards the objectives set in its policy dialogue strategies with the Honduran government and in dialogue with civil society and other donors.

Commission's response:

The requested action has been taken. The EU in Honduras considers that a new report would only duplicate what is regularly done as it already counts with a wide range of tools for the monitoring of results:

- *Performance assessment linked to the disbursement of budget support payments;*
- *Regular monitoring of EU-funded projects through analysis of reports, regular meetings with implementing partners, field visits, etc;*
- *Elaboration of sector policy dialogue strategies and assessment of its progress;*
- *Structured multi-level (operational, technical and strategic) dialogue through MADIGEP around the whole EU portfolio with relevant Government structures;*
- *Regular portfolio review meetings with Ministry of Foreign Affairs, implementing partners and relevant Ministries;*
- *Deployment of results-oriented monitoring (ROM) missions and systematic follow-up on ROM recommendations.*

Achievement of results at different levels is indeed the priority of the policy dialogue between the EU and the Government or other partners. The agenda 2030 guides the policy dialogue and EU cooperation in Honduras and progress on SDGs has become the framework for the European Union action in the country.

185. (§ 60 - 2016/PAR/0605) The European Parliament, given that the sound management of public finances is an essential prerequisite for disbursements of budget support to be made, and that it is one of the most significant shortcomings in Honduras, despite the successive plans drawn up by the government and the support from the Commission, takes the view that the Commission should place particular emphasis on continued improvement in that area; with that in mind and taking into account the role that the Honduran Court of Auditors ought to play in managing state resources, calls on the Commission to come up with specific programmes for cooperation with the Court with a view to providing technical assistance and training in the area concerned.

Commission's response:

The requested action has been taken. The EU agrees with the analysis of the Parliament on the importance of the role to be played by the Honduran Court of Auditors. Indeed, through the "Eurojusticia" programme, the EU has already

supported the national Court of Auditors. Moreover, the EU indirectly contributes to an enhanced credibility of the national budget and transparency through the implementation of the PFM Action Plan. Other partners (particularly the World Bank and the IDB) are very actively supporting this institution to improve its capacities, performance and coverage. This arrangement corresponds to a division of labour between the organisations supporting public finance management in Honduras to avoid duplication and ensure complementarity. The WB and IDB have an added value to directly work with the Honduran Court of Auditors.

186. (§ 62 - 2016/PAR/0606) The European Parliament notes with concern the Court's observation that the Union office in Honduras has a shortage of staff specialised in managing public finances and macroeconomic issues surrounding budget support transactions, and points out that this is particularly risky given the chronic economic instability of a country which, despite those serious circumstances, is still being granted budget support; in the light of the risks pointed out by the Court, calls on the Commission to take urgent action to shore up staffing at the Union office in Honduras.

Commission's response:

The requested action has been taken. Macroeconomic and public financial management expertise is a factor in the selection of staff that is taken into account during the rotation process.

As of 1st September 2016, an expert with a strong budget support expertise has been assigned to the EU Delegation in Honduras. In addition, the Commission will also continue to ensure additional macroeconomic and Public Finance Management expertise by alternative means (programs MADIGEP, CAPTAC, etc.).

187. (§ 65 - 2016/PAR/0607) The European Parliament welcomes the support and commitment that the Union has been providing to civil society in developing countries for some time now; takes the view that, in the context of policy dialogue and the development of cooperation programmes, the Commission must focus on the development of strategies to establish the legal, administrative and political environment required to enable civil society organisations to carry out their roles and operate effectively, advise the associations, provide them with regular information about funds and financing opportunities, and encourage them to sign up to international civil society organisations and networks.

Commission's response:

The requested action has been taken. Since 2014, the EU is implementing its Civil Society Roadmap for EU's engagement with Civil Society Organizations (CSOs) in Honduras. This roadmap has been recently updated and approved by the Head of EU Delegation and Heads of Mission of EU Member States (Germany, Spain and France) in April 2017. The Delegation has contracted technical assistance to provide support to CSOs in terms of: enabling environment, enhanced CSOs participation in public policies and strategies within the EU priority sectors and capacity building to CSOs to better fulfil their roles. Among others, the following activities have been executed: diagnosis of the current shrinking space for Honduran civil society, identification of strategies to address these challenges,

identification of the needs and risks CSOs suffer in their operation (particularly those who act in the rule of law sector), etc. The Delegation has stepped up its engagement with civil society by strengthening consultations with CSOs, facilitation of CSOs' participation in the Delegation's strategies, etc. Accordingly, enhanced participation is observed in its bilateral programmes (Eurojusticia, Eurolabor, EuroAct, VPA-FLEGT, ProDerechos) where CSOs benefit from grants.

In addition, the Delegation continues to implement its thematic programmes (EIDHR and CSO-LA) carrying out strategies to reinforce local CSOs capacities and participation. Finally, €3.8M is foreseen as CSO allocation for the period 2018-2020. It will be an opportunity for additional support to mitigate the shrinking space for the civil society in the country.

Part V – Special Report No 31/2016 of the Court of Auditors entitled " Spending at least one euro in every five from the EU budget on climate action: ambitious work underway, but at serious risk of falling short"

188. (§ 70 - 2016/PAR/0608) The European Parliament welcomes the implementation of the pledge into already existing policies in place of establishing new financial instruments; considers that this should contribute to greater coherence between various Union policy areas; invites the Commission and the Member States to draft a coordinated plan on sustaining a maximum cohesiveness and continuity of the various programmes.

Commission's response:

The Commission's Communication "a modern budget for a Union that protects, empowers and defends – the multi-annual financial framework 2021-2027" continues to demonstrate the importance of climate action and has set a target of 25% of EU expenditure contributing to climate objectives.

This and the programme proposals that have followed, present a comprehensive plan for using the EU budget to address the multiple challenges faced by the EU, including increasing climate action in major programmes, with the expected contributions providing for the achievement of the overall 25% target.

189. (§ 71 (point 1) - 2016/PAR/0609) The European Parliament calls on the Commission to develop a concrete overall strategy on reaching the set target that will entail area-specific action plans pointing out detailed measures and instruments, methodology of measurement and reporting, and performance indicators employed in the climate-related actions of specific policy areas.

Commission's response:

The Commission has assessed opportunities to increase climate relevance in the context of the Mid Term Reviews of individual programmes and policies, as set out in the MFF MTR. Instituting individual action plans would not be appropriate as individual programmes already provide processes for priority setting depending on the management mode.

190. (§ 71 (point 2) - 2016/PAR/0610) The European Parliament calls on the Commission and Member States to further develop common, unified standards for the implementation of adequate monitoring, evaluation and verification systems, notably with respect to the application of the Rio Markers and reporting on the disbursement of climate related spending.

Commission's response:

The Commission does not accept to commit to a unified reporting standard, given the different legal bases and institutional competences for different programmes. At the same time, the Commission will seek to further harmonise the reporting methods for the next MFF, bearing in mind the differences in the legal setting, implementation modes and other specificities of individual programmes.

191. (§ 72 - 2016/PAR/0611) The European Parliament regrets that weaknesses in the Union's tracking system were identified by the Court, which substantially increases

the risk of overestimating climate action related spending; calls on the Commission to systematically respect the conservativeness principle in order to avoid overestimates; calls on the Commission to review the estimates and correct the climate coefficients where a risk of overestimation applies.

Commission's response:

The tracking methodology needs to remain stable during the current MFF for reasons of predictability, consistency and transparency. The Commission, in the context of the next-MFF, is working to further fine-tune the tracking methodology without increasing the administrative burden.

192. (§ 73 (point 1) - 2016/PAR/0612) The European Parliament calls on the Commission to prioritise development of an action plan in certain areas with a massive potential, namely the Horizon 2020 programme, agriculture and fisheries, in cooperation with the Member States.

Commission's response:

The Commission does not agree to develop new action plans for the programmes under the current MFF, but will continue to work in integrating climate across all relevant spending programmes, in the framework set for each programme by the co-legislators.

193. (§ 73 (point 2) - 2016/PAR/0613) The European Parliament calls on the Commission to coordinate closely activities concerning the development of new technologies and innovations on environmental protection together with the European Institute of Innovation and Technology (EIT).

Commission's response:

The proposal for the new Framework Programme "Horizon Europe" contains provisions relating to the coordination of all instruments concerning the development of new technologies and innovations, including with the European Institute of Innovation and Technology (EIT).

194. (§ 75 - 2016/PAR/0614) The European Parliament regrets the absence of specific targets in substantial parts of the Union budget; calls on the Commission to draft an overall plan outlining which funding instruments could contribute, and to what extent, to reaching the 20 % budget target; notes with concern that the missing plan is a sign of the low compatibility of different budget areas.

Commission's response:

The Commission considers that a new plan for the current MFF will add layers of complexity in implementing the EU budget in the different policy areas. However, the Commission will continue to work in integrating climate action across all relevant spending programmes, in the framework set for each programme by the co-legislators.

For the new MFF, specific targets are included in the proposed basic acts in order to ensure a consistent approach.

195. (§ 76 - 2016/PAR/0615) The European Parliament notes with concern that there is little information on how much is spent on climate mitigation and adaptation and on

the extent to which the Union climate-related action will contribute to CO2 emissions reduction, while the available data may not be comparable across the Member States; asks the Commission to further develop reporting on the extent to which the target of spending 20 % of the Union budget over 2014 to 2020 on climate related action is implemented in all policies, by specifying in addition to what has been committed and disbursed, what relates to mitigation or adaptation areas while also identifying the areas where climate deliverables need to be improved.

Commission's response:

The Commission considers that a new reporting requirements and mechanisms under the current MFF plan will add layers of complexity in implementing the EU budget in the different policy areas.

196. (§ 78 - 2016/PAR/0616) The European Parliament calls on the Commission to develop swiftly an environment conducive to the transition to a low carbon economy by adapting its investment conditions, spending frameworks and instruments for innovation and modernisation in all key relevant sectors.

Commission's response:

The Commission does not accept the recommendation to revise the legislative framework governing EU spending programmes. At the same time, the Commission proposes for the next MFF to strengthen the climate proofing criteria in key programmes, and invites the co-legislators to rapidly adopt these proposals.

197. (§ 80 - 2016/PAR/0617) The European Parliament regrets that there is no specific reporting framework conducted by the Commission on detecting and measuring the counter-implications of Union policies that negatively contribute to climate change and on measuring how big a share of the Union budget is spent in this opposite direction; is concerned that without this data the Commission does not fully portray to what extent the Union contributes to the mitigation of climate change; calls on the Commission to identify systematically potentially counter-productive actions and project them into the final calculations on climate action mitigation.

Commission's response:

The Commission does not accept to change the climate tracking methodology at this stage. The Commission is confident that its proposals and co-legislators changes in the current MFF include appropriate safeguards to ensure policy coherence across the union programmes.

Part VII – Special Report No 33/2016 of the Court of Auditors entitled " Union Civil Protection Mechanism: the coordination of responses to disasters outside the EU has been broadly effective"

198. (§ 99 - 2016/PAR/0618) The European Parliament calls on the Commission to improve the functionality of ERCC's communication platform, CECIS, so that the information can be retrieved more easily by stakeholders, including a mobile access for the EUCP teams deployed in the field.

Commission's response:

Development of the CECIS platform has been carried out to improve the various features and user-friendliness of CECIS in line with the recommendations of the Court of Auditors report. These features and an overview of the development work carried out will be presented to the CECIS Users Working Group on 13 September and then put into the production environment. The possibility of mobile access to CECIS for EUCP teams deployed in the field is currently under analysis and various technical solutions are being considered in line with the security requirements of Member State users. The required security parameters will also be discussed during the CECIS Users Working Group with the aim of reaching an agreement on implementation.

Part VIII – Special Report No 34/2016 of the Court of Auditors entitled "Combating Food Waste: an opportunity for the EU to improve the resource-efficiency of the food supply chain"

199. (§ 106 - 2016/PAR/0619) The European Parliament reiterates its call on the Commission to take immediate action against food waste; calls on the Commission to deliver on its commitments with regard to relevant policy documents related to combating food waste.

Commission's response:

Food waste is singled out as a priority area in the Commission's Circular Economy Package adopted in 2015, which reaffirms the EU's commitment to the UN target of halving global per capita food waste by 2030 and lays down a dedicated action plan. The Commission has translated the overall objective set out in the global Sustainable Development Agenda into a clear set of specific commitments and deliverables in order to support implementation of food waste prevention programmes by all actors from the public and private sectors and across the whole food value chain.

The Commission has implemented food waste prevention actions in line with the Circular Economy Action Plan and related timetable:

(1) The EU Platform on Food Losses and Food Waste (FLW) (established in 2016), meets twice per year; in addition, dedicated sub-groups have been established to address key issues ("food waste measurement", "food donation", "action and implementation" and "date marking and food waste prevention");

(2) EU guidelines on food donation and for the feed use of food no longer intended for human consumption were adopted, respectively in 2017 and 2018, to clarify relevant provisions in EU legislation and thereby helping to lift any barriers which may prevent the safe use of food resources in the food and feed chains;

(3) The Revised Waste Framework Directive adopted on 30 May 2018 introduces new obligations for Member States to reduce food waste levels at each stage of the food supply chain, in line with Sustainable Development Goals. The revised waste legislation also provides the legal basis for adoption by the Commission of harmonised methodology to be utilised for quantification and reporting on food waste levels across the EU.

The Commission continues to work across all relevant services to integrate food waste prevention in relevant policy areas at EU and national levels, through all relevant fora (EU Platform on FLW, Council Working Parties and regulatory committees).

200. (§ 108 - 2016/PAR/0620) The European Parliament regrets that the Commission's action at a technical level has been limited to establishing working and expert groups, which have nevertheless not delivered any applicable input; calls on the Commission to improve its action at a technical level and to deliver concrete results; invites the Commission to establish closer cooperation with the European Environment Agency and EIT, which are able to provide solid expert and technical assistance.

Commission's response:

The Commission will endeavour to cooperate with the European Environment Agency (EEA) and the European Institute of Innovation and Technology (EIT) on the topic of food waste.

201. (§ 109 - 2016/PAR/0621) The European Parliament regrets that the Commission does not consider it necessary to create a common definition of food waste and does not consider it necessary to lay down a specific food waste hierarchy; calls on the Commission to prepare a common definition of food waste, a common methodology for measuring and monitoring food waste, and guidelines on waste hierarchy in the case of food waste in cooperation with the Member States.

Commission's response:

The recently adopted Waste Framework Directive, agreed by the co-legislators,

(1) establishes a definition for food waste, meaning all food as defined in the Article 2 of Regulation (EC) No 178/2002 that has become waste;

(2) in addition to existing waste hierarchy which applies to food waste, adds order of priority of actions preventing food waste, i.e. Members States shall encourage food donation and other redistribution for human consumption, prioritising human use over animal feed and the reprocessing into non-food products;

(3) requires from the Commission to lay down by the end of March 2019 by the means of a delegated act harmonised common methodology for monitoring and annual reporting on food waste levels. The Commission started its preparations for the delegated act in consultation with the respective expert group. Additional discussions have been taking place with other stakeholders in the food waste measurement sub-group of the EU Platform on Food Losses and Food Waste.

202. (§ 110 - 2016/PAR/0622) The European Parliament calls on the Commission to draft an action plan that would identify policy areas with potential to address food waste, with an emphasis on prevention and donation, and to define the opportunities that could be exploited within the framework of these policies; calls on the Commission to draft action plans that would include measurable targets and performance indicators and to draft impact assessments in specific policy areas.

Commission's response:

The integrated action plan to tackle food waste published as part of the Circular Economy Package was developed jointly by concerned services of the Commission and has been implemented according to the timetable laid down in the Circular Economy Action Plan:

The EU Platform on Food Losses and Food Waste (established in 2016) has, as of end May 2018, met four times in Plenary and four dedicated sub-groups have been established to address key issues ("food waste measurement", "food donation", "action and implementation" and "date marking and food waste prevention").

On 16 October 2017 the Commission adopted the EU guidelines on food donation and on 13 April 2018 the guidelines for the feed use of food no longer intended for

human consumption to clarify relevant EU legislation without compromising on food and feed safety.

The revised Waste Framework Directive, adopted on 30 May 2018, introduces new obligations for Member States to reduce food waste levels at each stage of the food supply chain, in line with Sustainable Development Goals, and to monitor and report annually on food waste levels. The Directive encourages food donation and other redistribution for human consumption, prioritising human use over animal feed and the reprocessing into non-food products. The revised waste legislation also requires the Commission to adopt by the end of March 2019 a harmonised methodology to be utilised for quantification and reporting on food waste levels across the EU.

The Commission published the market study carried out on behalf of DG SANTE by an external contractor on date marking and other information provided on food labels and food waste prevention in February 2018. In order to consider the recommendations of the study and define a coordinated action plan needed to address date marking in relation to food waste prevention, the Commission established in April 2018 a sub-group of the EU Platform on Food Losses and Food Waste dedicated to this issue.

The Commission's Communication on the Future of Food and Farming published in November 2017 paved the way for a modernized Common Agriculture Policy that can help reduce food waste and food losses by stimulating better production and processing practices and supporting initiatives that transform traditional produce-use-discard consumption patterns into circular bio-economy. To this end, the Commission's proposal for a new CAP Strategic Plan Regulation, (COM (2018) 392 final), adopted on 1 June 2018, sets specific objectives and common result indicators for the CAP post-2020. This also covers inter alia food waste.

The Commission is also developing operating rules and guidance to be followed by Member States on the use, processing or sale of food held in intervention stocks to those most in need through the Fund for European Aid to the Most Deprived (FEAD).

However, building bridges across policy areas to promote sustainability requires support of all parties concerned: the Commission cannot act alone. For instance, the opportunity to include donation in the reformed Common Fisheries Policy (CFP) was debated with the legislators and eventually rejected. This is the reason why there is currently no mechanism to encourage donation of withdrawn fish or to encourage donation of fish that cannot be marketed (e.g. undersized fish).

The Commission's Communication on the next steps for a sustainable European future, European action for sustainability (COM(2016) 739 final) clearly states that "All Commission impact assessments must evaluate environmental, social and economic impacts so that sustainability is duly considered and factored in".

203. (§ 111 (In connection with § 107) - 2016/PAR/0623) The European Parliament regrets that although food donation represents the second most preferred option in preventing food waste, there have been many obstacles on various levels that mean it is underutilised; draws attention to the difficulties faced by Member States' authorities, particularly in making food donation comply with the current legal

framework; calls on the Commission to create a specific platform for exchange of good practices among the Member States in order to facilitate food donation; invites the Commission to take into account local and regional authorities' contributions in revising the relevant legal provisions.

Commission's response:

In line with the Circular Economy Action Plan, the Commission clarified relevant provisions laid down in EU legislation through the adoption of EU guidelines on food donation (16 October 2017).

Under the EU Platform on Food Losses and Food Waste, a specific sub-group on food donation was established in 2017. This sub-group (which contributed to the development of the EU guidelines on food donation) supports the work on the EU Pilot Project on redistribution carried out on behalf of the Commission by an external contractor (2018-2020). The aim of the Pilot Project is to map and analyse policy, regulatory and operational frameworks relevant for food redistribution in the EU28 and support the dissemination of the EU guidelines on food donation.

In the context of this Pilot Project, the EU Platform on Food Losses and Food Waste will adopt by the end of 2018 a document collecting food donation practices of the different Member States. In the context of the EU Pilot Project there will be the opportunity to seek contribution of local and regional authorities.

The results of the Pilot Project shall provide a basis for possible future developments in this area. The revision of legal provisions in this context is for the time being not considered.

A dedicated Commission website on food waste prevention and the Digital Network (supporting communications between members of the EU Platform on Food Losses and Food Waste) outline EU actions against food waste and encourage mobilisation at local, national and regional levels, making available materials to support awareness raising in Member States and promoting dissemination of good practices in food waste prevention.

204. (§ 112 - 2016/PAR/0624) The European Parliament invites the Commission to finalise and publish guidelines on food redistribution and donation, including tax arrangements for donors, that would be based on best practices shared between the Member States that currently take active action in combating food waste.

Commission's response:

The EU guidelines on food donation were adopted by the Commission on 16 October 2017. The guidelines include a section on value added tax (VAT) clarifying the application of the VAT rules to food redistribution in the Member States and provide examples as to how Member States implement fiscal incentives to stimulate food donation at national level.

The EU Platform on Food Losses and Food Waste and its sub-group on food donation, support the implementation of EU activities to facilitate food donation and the exchange of good practices between members. The Platform agreed to elaborate a document, to be published by the end 2018, which will illustrate how EU rules relevant to food donation are implemented at national level to facilitate this practice.

In January 2018, a Pilot Project on food redistribution was launched by the Commission in order to further investigate existing regulatory, policy and operational frameworks in the context of food redistribution in the EU and facilitate the dissemination of the EU guidelines on food donation and engagement with stakeholders in the EU28. The Pilot Project is expected to be finalised in the first quarter 2020.

205. (§ 113 - 2016/PAR/0625) The European Parliament regrets that the concepts ‘best before’ and ‘use by’ are generally unclear to participants at all levels of the food supply chain; calls on the Commission to clarify these concepts and make the guidelines on its usage binding in order to avoid any misconception.

Commission's response:

In 2018, the Commission finalised a study on date marking practices of food business operators and regulatory authorities and their possible impact on food waste. Together with consumer research and other findings, the results will help inform future policy making regarding date marking.

Key findings of the study were presented at the meeting of the EU Platform Food Losses and Food Waste on 7 November 2017. A new sub-group of the Platform dedicated to date marking met for the first time on 20 April 2018 and supports the Commission and all players in identifying and analysing possible follow-up actions (legislative/non-legislative), in particular to:

- (1) elaborate EU scientific and technical guidance as a key priority for action;*
- (2) explore issues specific to the functioning of supply chain (e.g. refrigeration);*
- (3) consider further possible opportunity for EU-level communication activities;*
- (4) pan-EU consumer research to explore possible future changes to date marking (e.g. format, terminology...).*

206. (§ 115 - 2016/PAR/0626) The European Parliament deplores the fact that, despite individual and limited initiatives in some of the Union institutions, the European bodies have neither the legislative framework nor common guidelines that would regulate the handling of unconsumed food provided by the institutions’ catering services; calls on the Commission to draft common provisions addressing the issue of food waste within the European institutions, including guidelines on food waste prevention and rules on food waste donation, in order to minimise the food waste caused by the European institutions.

Commission's response:

The primary focus of food waste prevention should be to act at source by limiting the generation of surplus food at each stage in the food supply chain. The service in charge of the canteens in Brussels (OIB) has decided to take action upstream in the food production process and to better estimate food production according to the number of customers and their satisfaction to avoid surpluses, which generate food waste.

In addition, the Commission will continue to explore options for safe donation of any surplus food, taking into account experience gained in other EU institutions

and in line with recommendations for Green Public Procurement. This will be done within the limits of the existing contracts, the contractors' possibilities and in respect of food safety provisions.

The EU guidelines on food donation serve also as basis for the different European institutions which engage in food donation activities.

Part IX – Special Report No 35/2016 of the Court of Auditors entitled "The use of budget support to improve domestic revenue mobilisation in sub-Saharan Africa"

207. (§ 123 - 2016/PAR/0627) The European Parliament believes that it is crucial to continue promoting fair and transparent domestic tax systems in the tax policy field, to scale up support for oversight processes and bodies in the area of natural resources, and to continue to back governance reforms promoting sustainable exploitation of natural resources and transparency; stresses that free-trade agreements reduce the tax revenue for the low- and lower-middle-income countries and might be counter-productive for those countries; demands that the Commission ensure that the fiscal consequences of free-trade agreements with low- and lower-middle-income countries are taken into account in risk assessments when negotiating free-trade agreements.

Commission's response:

Economic Partnership Agreements (EPAs) with sub-Saharan African countries are trade and development agreements that take full account of the principle of Policy Coherence for Development. The current policy is to assess fiscal consequences in impact assessments (IAs) before the negotiations, in Sustainability Impact Assessments (SIA) during the negotiations, as well as in ex post evaluations after the negotiations and during implementation. Moreover, the Development Chapters of EPAs provide for cooperation between the Parties to support the absorption of the net fiscal impact in complementarity with fiscal reforms, as well as support to fiscal reforms so as to accompany the dialogue in this area.

The Commission publishes the results in its analysis webpage http://ec.europa.eu/trade/policy/policy-making/analysis/#_bilateral-regional.

Furthermore, in IAs and SIAs the Commission analyses the fiscal consequences and the impact of the revenue forgone.

208. (§ 124 - 2016/PAR/0628) The European Parliament calls on the Commission to stick to its guidelines when conducting macroeconomic and public financial management assessments of DRM aspects in order to obtain a better overview of the most problematic issues e.g. the scale of tax incentives, transfer pricing, tax evasion.

Commission's response:

The requested action has been taken. Strengthened guidance on this subject has been duly included in the updated Budget Support guidelines produced in September 2017.

209. (§ 126 - 2016/PAR/0629) The European Parliament emphasises the necessity of applying DRM-specific conditions more often as they clearly associate the disbursement of budget support payments with the partner country's progress in DRM reforms; asks the Commission to choose the conditions that are relevant and will have the broadest impact on DRM.

Commission's response:

The requested action has been taken. Strengthened guidance on this subject has been duly included in the updated Budget Support guidelines produced in September 2017.

Part XI – Special Report No 1/2017 of the Court of Auditors entitled "More efforts needed to implement the Natura 2000 network to its full potential"

210. (§ 143 - 2016/PAR/0630) The European Parliament recalls that due to its cross-border character, implementing Natura 2000 requires strong coordination among Member States; invites the Commission to provide improved guidance to the Member States for building up a cooperation platform.

Commission's response:

The EU Action Plan for nature, people and the economy, adopted on 27/4/2017, comprises four priority areas and fifteen concrete actions. These respond to the Nature Directives Fitness Check findings and address the main shortcomings revealed by this evidence-based evaluation. The aim of the Action Plan is to rapidly improve practical implementation of the Nature Directives, to accelerate progress towards the EU 2020 goal of halting and reversing the loss of biodiversity and ecosystem services and to improve the Directives' coherence with broader socio-economic objectives. The Action Plan covers the period 2017-2019. It includes four priority areas with 15 concrete actions. Under Action 6 of the Action Plan "Bring together public authorities and stakeholders from different Member States at the biogeographical region level to address common challenges, including on cross-border issues", the Commission, in cooperation with Member States and stakeholders, is carrying out several actions aiming at improving cooperation among Member States and enhancing cooperative action.

211. (§ 144 - 2016/PAR/0631) The European Parliament notes with deep concern that the conservation objectives were often not specific enough and not quantified, while management plans were not precisely defined and lacked milestones for their completion; reiterates that this might hinder the added value of Natura 2000; calls on the Commission to harmonise the rules on an effective approach towards setting up conservation objectives and management plans in the next programming period; further calls on the Commission to follow up on whether the Member States follow the guidance and to provide them with further advisory support where needed.

Commission's response:

Under the Action Plan for nature, people and the economy, Member States will complete the Natura 2000 network, especially filling gaps for the marine environment, and put in place the necessary conservation measures for all sites (Action 4). The Commission is supporting Member States in delivering these tasks, including through the following actions:

- 1) Holding dedicated bilateral meetings with competent authorities, encouraging Member States to actively involve all relevant stakeholders at an early stage in the process of designation of sites and preparation and implementation of the necessary conservation measures, including site management plans (see also Actions 5 and 6);*
- 2) Facilitating the exchange of best practices among Member States and the development of common goals to ensure coherence of conservation objectives and measures at biogeographical level (see also Actions 6, 13);*

3) *Providing EU co-financing of site management plans preparation and implementation (see also Actions 8, 9, 10, 11);*

4) *Strengthen enforcement action of relevant legal obligations (i.e. Articles 4(1), 4(4) and 6(1) of the Habitats Directive and Articles 4(1) and 4(2) of the Birds Directive);*

5) *Support Member States to improve synergies while implementing the Nature Directives, the Water Framework Directive, the Nitrates Directive, the Marine Strategy Framework Directive, the Floods Directive, and the Invasive Alien Species Regulation, through building on the existing guidance. The Commission services have issued specific notes on SAC designation, setting conservation objectives and measures, in order to support Member States in delivering these tasks.*

212. (§145 - 2016/PAR/0632) The European Parliament calls on the Commission to check on potentially delayed conservation projects thoroughly.

Commission's response:

Under Action 5 of the Action Plan for Nature, people and the economy, the Commission has engaged to hold dedicated bilateral meetings with Member States, involving national and regional authorities competent for implementation of the Nature Directives. The first bilateral meetings were organized in BG (21-22 November 2017), IT (12-13 February 2018), SI (12-13 March 2018), CY (25-26 April 2018), FI (14-15 May 2018), and SK (31 May – 1 June), RO (10-11 July 2018). More meetings are planned with CZ (19-20 September 2018), The Netherlands (3 October), Lithuania (16-17 October 2018), SE (November 2018), EE (February 2019), LV (September 2019), France and Denmark (tbc in 2019). The issue of establishing conservation objectives and measures has been discussed in depth in all meetings so far and the Commission aims to hold bilateral meetings with all Member States. Common implementation roadmaps are prepared, in agreement with the Member State, on the basis of the conclusions of the meeting, in order to speed up and improve implementation of the Directives on the ground, including concerning the establishment of conservation objectives and measures.

213. (§ 147 - 2016/PAR/0633) The European Parliament is concerned that the Member States failed to adequately assess projects negatively impacting on Natura 2000 sites, that the compensatory measures were not utilised sufficiently and that the approach among the Member States varies widely; calls on the Commission to provide the Member States with a more structured guidance on how and when to apply compensatory measures in practice and to supervise their utilisation.

Commission's response:

Under Action 1 of the Action Plan for nature, people and the economy, the Commission will update the guidance document on "Managing Natura 2000 sites: The provisions of Article 6 of the 'Habitats' Directive 92/43/EEC", which clarifies the legal framework on the basis of the jurisprudence of the CJEU and will support Member States in their decisions e.g. on how and when to apply compensatory measures under Article 6(4). The Commission will also update the methodological guidance on Article 6(3) and 6(4) of the Habitats Directive on the

permitting requirements for plans and projects likely to have a significant effect on Natura 2000 sites.

214. (§ 148 - 2016/PAR/0634) The European Parliament regrets that the 2014-2020 programming documents did not fully reflect funding needs and the Commission did not address the shortcomings in a structured manner; calls on the Commission to prepare for the next programming period more thoroughly.

Commission's response:

Under Action 8 of the EU Action Plan for nature, people and the economy, the Commission has updated the format for the Prioritised Action Frameworks (PAF), in agreement with the Member States. Action 8 of the Action Plan also envisages supporting Member States in their update of the PAF during the course of 2018 through dedicated seminars. Such support should be provided as of September 2018 with the organisation of the first seminars. The updated PAF will prepare for the next programming period more thoroughly than in the past.

215. (§ 149 - 2016/PAR/0635) The European Parliament welcomes the Commission's introduction of a set of compulsory comprehensive indicators for all projects for the 2014-2020 programming period under LIFE; invites the Commission to apply the same approach to other programmes in the next programming period.

Commission's response:

In the proposal for the ERDF and the Cohesion Fund the Commission proposed the following output indicator to monitor efforts related to Natura 2000: "Surface of Natura 2000 sites covered by protection and restoration measures in accordance with the prioritised action framework". The Commission also proposed financial indicators to monitor allocations to different interventions including "Protection, restoration and sustainable use of Natura 2000 sites".

As concerns the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD), several indicators have been proposed, in particular:

- the impact indicator "I.19 Enhanced biodiversity protection:

Percentage of species and habitats of Community interest related to agriculture with stable or increasing trends"

- the result indicators "R.28 Supporting Natura 2000: Area in Natura 2000 sites under commitments for protection, maintenance and restoration", "R.27 Preserving habitats and species: Share of agricultural land under management commitments supporting biodiversity conservation or restoration", "R.26 Protecting forest ecosystems: Share of forest land under management commitments for supporting landscape, biodiversity and ecosystem services".

216. (§ 150 - 2016/PAR/0636) The European Parliament notes with concern that at site level the monitoring plans were often not included in the site management documents and that they were not detailed or time-bound; is further concerned that the standard data forms were not updated and the data provided by the Member States for the State of Nature report were incomplete, inaccurate and incomparable;

calls on the Member State and Commission to remedy this issue in the intended action plan.

Commission's response:

Under Action 3 of the Action Plan for nature, people and the economy, the Commission and Member States will improve knowledge, including through enhanced and more efficient monitoring, and ensure public online access to data necessary for implementing the Directives (e.g. satellite imagery from the Copernicus programme). The problems in relation to monitoring and reporting (including Standard Data Form update) are also discussed in the bilateral meetings under Action 5.

217. (§ 151 - 2016/PAR/0637) The European Parliament welcomes the Commission's development of a central registry for recording complaints and enquiries related to Natura 2000; notes that a majority of the cases were closed without further procedural steps; invites the Commission to follow up all complaints and enquiries rigorously.

Commission's response:

The Commission follows up all complaints and enquires rigorously, according to the Commission's Communication 'EU law: Better results through better application', which sets out a more strategic approach to case handling, including standards for the prioritisation of cases, and also brings about changes to the use of EU Pilot.

218. (§ 152 - 2016/PAR/0638) The European Parliament welcomes the establishment of the Biogeographical Process providing a mechanism for cooperation among stakeholders on management of Natura 2000 and a corresponding networking opportunity; however invites the Commission to resolve a language barrier issue that hinders its reach.

Commission's response:

The Commission deals with the issue of the language barrier within the limits of the available resources. Member States are always invited to provide for translations of the documents produced for the relevant meetings under the Biogeographical Process. Under the Action 1 of the Action Plan for nature, people and the economy, the Commission has committed to translate guidance documents in all official languages, as well as to make easy-to-read summaries of guidance documents available online in all official EU languages by 2019.

219. (§ 154 - 2016/PAR/0639) The European Parliament is of the opinion that financial allocations for Natura 2000 must be identifiable and its use traceable, otherwise the impact of investments cannot be measured; to the extent Natura 2000 is co-financed by ERDF/CF and EAFRD, calls on the respective Commission directorates-general to add a specific chapter on Natura 2000 to their annual activity reports.

Commission's response:

There is no specific chapter dedicated to Natura 2000 in the AAR of DG REGIO. It is not the aim of the AAR to have a specific chapter on each particular type of expenditure under shared management.

However, general information on related expenditure is available at the level of policy achievements per thematic objective. In addition, financial allocations are traceable in the Programme Statements which support the annual budgetary process and allow to report on the contributions from ERDF/CF to policy achievements such as biodiversity for instance.

In the proposal for the ERDF and the Cohesion Fund the Commission proposed the following output indicator to monitor efforts related to Natura 2000 "Surface of Natura 2000 sites covered by protection and restoration measures in accordance with the prioritised action framework". The Commission also proposed financial indicators to monitor allocations to different interventions including "Protection, restoration and sustainable use of Natura 2000 sites". As concerns the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD), several indicators have been proposed, in particular: the impact indicator "I.19 Enhanced biodiversity protection: Percentage of species and habitats of Community interest related to agriculture with stable or increasing trends" and the result indicators "R.28 Supporting Natura 2000: Area in Natura 2000 sites under commitments for protection, maintenance and restoration", "R.27 Preserving habitats and species: Share of agricultural land under management commitments supporting biodiversity conservation or restoration", "R.26 Protecting forest ecosystems: Share of forest land under management commitments for supporting landscape, biodiversity and ecosystem services"."

220. (§ 155 - 2016/PAR/0640) The European Parliament welcomes the establishment of the expert group and ad hoc working groups on harmonising practices and invites the Commission to utilise the outputs of their activities in the next programming period.

Commission's response:

The Commission has discussed the format of the prioritised action frameworks (PAFs), to be established pursuant to Article 8 of the Habitats Directive in view of calculating the costs of managing the Natura 2000 network and securing the EU funds for this purpose, in the framework of regular and special meetings of the Expert Group on the Birds and Habitats Directives. The new format will allow a more harmonised approach in relation to planning the management of the network and accessing the EU funds in the MFF 2021-2027.

221. (§ 156 - 2016/PAR/0641) The European Parliament calls on the Commission to inform Parliament's relevant committees about the action plan to improve the implementation of the Nature Directives.

Commission's response:

The Commission will inform the European Parliament's relevant committees on the progress made in implementing the Action Plan for nature, people and the economy.

Part XII – Special Report No 2/2017 concerning "The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in Cohesion"

222. (§ 164 - 2016/PAR/0642) The European Parliament observes that, unlike in previous periods, the Commission's observations on the draft operational programmes were required to be adopted by the College of Commissioners while in the previous programming period only the final operational programmes needed to be adopted by the College; urges the Commission to reconsider the added value of such a procedure when drafting its proposal for the post-2020 programming period.

Commission's response:

On the basis of the 2014-2020 legal framework, given that the Commission's observations must be adequately addressed by the Member State through the revision of the proposal for the programme amendment, they must in principle be adopted by a Commission decision.

The Commission has reconsidered this possibility in May 2017 and took a pragmatic approach: while this procedure is ensured for observations bearing significant policy consequences, most of the observations are, since then, made by letter of the competent Director-General. For 2021-2027, as proposed in the Commission proposal adopted on 29 May 2018, further simplification of the procedures for programme amendments is expected.

223. (§ 166 - 2016/PAR/0643) The European Parliament calls on the Member States and the Commission to enhance their consultation in the drafting of the operational programmes which should facilitate a speedy process of their approval.

Commission's response:

Post 2020 proposals for the 2021-2027 programming period of cohesion policy have been adopted by the Commission on 29 May 2018. As regards the legal framework the new Article on Partnership requires Member States to duly involve partners in the programming and implementation of the programmes. The European Code of Conduct on Partnership is maintained and remains applicable. This provides appropriate legal framework for the enhanced inclusion of partners in the consultation processes.

224. (§ 167 - 2016/PAR/0644) The European Parliament underlines the importance of the use of precise and harmonised terminology which allows proper measurement of cohesion policy achievements; regrets that the Commission has not proposed common definitions of "results" and "output" in its proposal for the new Financial Regulation; calls on the Commission to introduce clear common definitions of terms like 'output', 'results' and 'impact' as soon as possible and well before the beginning of the post-2020 period.

Commission's response:

The Better Regulation guidelines and toolbox provide guidance on output and results and impact indicators, as well as the links between objectives and indicators. The Commission services are expected to follow the better regulation guidelines and toolbox in relation to their activities. The Commission will continue

to promote the consistent application of these guidelines by raising awareness and appropriate training.

Furthermore, the Commission proposal for the new Common Provisions Regulation contains definitions of output and result indicators (Article 2(12) and (13), COM(2018)375 final).

Finally, the new Financial Regulation also includes the definitions of “output” and “result”.

225. (§ 169 - 2016/PAR/0645) The European Parliament calls on the Commission to strengthen and facilitate sharing of “best practices” at all levels.

Commission's response:

The Commission has continued and will continue to disseminate good practices.

As regards for instance evaluations, it is the case through:

- the ESF evaluation partnership and through other activities, such as the support provided through CRIE (Centre for Research on Impact Evaluation) promoting the use of counterfactual impact evaluations,

- the REGIO evaluation network with the Member States meets 2-3 times per year with the purpose, among other things, to disseminate good practice across its members.

In addition, the ESIF Open Data platform is regularly updated and promoted systematically by the Commission.

Through its Annual Summary Reports (http://ec.europa.eu/regional_policy/index.cfm/en/policy/how/stages-step-by-step/strategic-report/) the Commission has been making available annual syntheses of the evaluation plans of the programmes and evaluation work conducted by the Member States and the Commission. It is also working with the “Evaluation Helpdesk” on supporting evaluation capacity in the Member states and on a database of evaluations conducted and of selected findings.

226. (§ 170 - 2016/PAR/0646) The European Parliament is concerned at Member States’ application of a multitude of additional outcome and result indicators in addition to the indicators provided by the basic legal acts; fears a “gold plating” effect, which could render the use of structural funds more cumbersome and less effective; calls on the Commission to discourage Member States from following such an approach.

Commission's response:

During the preparation of the legislative proposals for cohesion policy post 2020 the Commission examined the use of common and specific programme indicators in MS during the 2014-2020 period by assessing programmes, conducting surveys and interviews with managing authorities and organizing a dedicated workshop and discussion with the Evaluation Network of national experts.

In line with the simplification thrust which underlies the post 2020 proposals, the Commission’s Post 2020 proposals for the 2021-2027 programming period, adopted by the Commission on 29 May 2018 address the concerns above by 1) providing common concepts for output and result indicators across cohesion policy

(ERDF, CF + ESF+); 2) setting a more complete and comprehensive list of common output indicators and 3) introducing new common result indicators. The new list of common indicators is provided in Annex I to the ERDF Regulation. MS will still have the possibility to use programme specific indicators but only where necessary. The new list of common out and result indicators tries to fill the gaps left open in the 2014-2020 period and which led MS to resort to programme specific indicators resulting in a proliferation of indicators. The indicators chosen and proposed comply with the RACER principles (relevant, acceptable, credible, easy, robust). It is expected that the new common indicators will reduce MS need to resort to programme specific indicators.

The Commission proposals can be found at https://ec.europa.eu/commission/publications/regional-development-and-cohesion_en.

The Commission will from now on work closely with the co-legislators based-on its proposal for the future performance framework (including common and specific indicators).

227. (§ 171 - 2016/PAR/0647) The European Parliament highlights the relevance of measuring the mid- and long-term impact of programmes, as only when impact is measured can decision-makers ascertain whether political objectives have been accomplished; calls on the Commission to explicitly measure ‘impact’ during the post-2020 programming period.

Commission's response:

Post 2020 proposals for the 2021-2027 programming period of cohesion policy have been adopted by the Commission on 29 May 2018. They provide for reinforced rules for better performing and maximizing the impact of the EU investments. The impact of the programme can be only properly measured in the mid-term and ex-post evaluation. Thus, in order to improve the knowledge gap between implementation and the evaluation, the Commission has invested to further improving the performance measurement of the cohesion policy. All programmes will still have a performance framework with quantifiable milestones and targets covering all indicators. The new framework introduces an annual performance review, in the form of a policy dialogue between programme authorities and the Commission. Performance will also be assessed during a mid-term review. Indeed, when the programmes for the 2021-2027 programming period are adopted, only the allocations corresponding to the years 2021-2024 will be assigned to priorities. The allocations for the remaining two years – 2026 and 2027 – will be allocated following an in-depth mid-term review in 2024. The mid-term review will take into account the progress in achieving the objectives set for each programme at the beginning of the period, and can lead to some reprogramming if needed. Member States will review the programmes taking into account four elements:

- The challenges identified in the relevant Country-Specific Recommendations adopted in the context of the European Semester in 2023 and 2024;
- The socio-economic situation of the Member State or region concerned;

- The progress made towards the milestones of the programmes' performance framework;

- The outcome of the technical adjustment, an exercise which will be carried out in 2024 and lead to a review of national Cohesion Policy envelopes based on the most recent statistics.

Finally, for transparency reasons, Member States will have to report all implementation data every two months and the Cohesion Open Data Platform will be automatically updated, making this data available to all citizens who can thus follow the progress made.

Part XIII – Special Report No 3/2017 of the Court of Auditors entitled "EU assistance to Tunisia"

228. (§ 174 - 2016/PAR/0648) The European Parliament notes that Union actions were well coordinated with the main donors and within the EU institutions and departments; calls on the Commission to make sure that joint programming with Member States is achieved, in order to improve the focus and coordination of the aid.

Commission's response:

In November 2017, a draft Joint analysis was presented to EU heads of cooperation in Tunis. The document has also been shared with the EU political advisors. The final draft version has been reviewed by the Delegation, taking on board comments received by HQ EEAS and DG NEAR.

229. (§ 176 - 2016/PAR/0649) The European Parliament 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 Union approach and reinforce the overall credibility of the Tunisian national strategy.

Commission's response:

The Annual Action Programme (AAP) 2018 does not include any proposal for new budget support operations, also due to Tunisia's current backlog of reforms and sectoral strategies. As regards the AAP 2017, of which about EUR 205M are tied to budget support, a particular care is being taken during the negotiations of the Financing Agreements to further fine-tune the approach to sectoral budget support as well as to define realistic indicators given the particular circumstances of the country and sector of intervention. Finally, the operations continue to go through thorough formal and informal review processes, calling on the expertise of specialised Units across COMM DGs and EEAS, as well as increased scrutiny in 2018 through a strategic dialogue – specifically on BS operations in Tunisia- at DG-level Budget Support committee (FAST).

230. (§ 177 - 2016/PAR/0650) The European Parliament notes that Union funding made a significant contribution to the democratic transition and to the economic stability of Tunisia; 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 Union assistance.

Commission's response:

At the "priorities level", such an effort has been made during the design of the Single Support Framework 2017-2020, which focuses on 3 sectors of intervention: 1) Promoting good governance and the rule of law; 2) stimulating sustainable economic growth and generating employment; 3) Strengthening social cohesion between generations and regions.

At the "action level", the Annual Action Programme 2018 (formulation ongoing) also integrates this streamlining effort: Only 2 new programmes should be presented (even if, technically, one of the programmes – youth – is split in 2 separate decisions for political/packaging purposes to highlight the work on start-

ups/innovation) and 2 follow-ups of previous programmes. The Commission is also paying particular attention to the coordination with regional programming.

231. (§ 178 - 2016/PAR/0651) The European Parliament calls on the Commission to follow best practice concerning the budget support programmes and to apply relevant disbursement conditions that will stimulate the Tunisian authorities to undertake essential reforms.

Commission's response:

All operations continue to go through thorough formal and informal review processes, calling on the expertise of specialised Units across COMM DGs and EEAS. Budget support operations will also face increased scrutiny in 2018 through a strategic dialogue – specifically on Tunisia- at DG-level Budget Support committee (FAST). Additional attention is being paid to the definition of realistic indicators given the particular circumstances of the country, the sector of intervention, and the project concerned. In this sense, a specific training was provided in June to EU Delegation and Ministry staff to enhance their capacity to identify appropriate results and indicators.

Finally, to maximise our political leverage on reforms, COMM has convened a high-level mission to Tunis jointly with the main European and International Financial Institutions in July 2018 to convey a strong message on the need for key reforms (structural and sectoral) to be fully implemented.

232. (§ 180 - 2016/PAR/0652) The European Parliament asks the Commission to improve the design of the programmes and projects by establishing a set of precise baselines and indicators that will enable proper evaluation of the extent to which objectives are achieved.

Commission's response:

Past projects were prepared according to clear objectives and indicators, as well as following thorough formal and informal review processes. Additional attention is being paid to the definition of realistic indicators given the particular circumstances of the country, the sector of intervention, and the project concerned. This is the case for both budget support operations and projects. In this sense, a specific training was provided in June to EU Delegation and Ministry staff to enhance their capacity to identify appropriate results and indicators.

Part XIV – Special Report No 4/2017 of the Court of Auditors entitled "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"

233. (§ 187 - 2016/PAR/0653) The European Parliament calls on the Commission to remain vigilant when examining the closure declarations submitted by Member States for the 2007-2013 programming period, as well as in the future.

Commission's response:

The Commission has set up internal processes aimed at ensuring adequate management of risks related to the legality and regularity of underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned. In this respect, the control objective is to ensure that the residual risk of each programme does not exceed 2% on a cumulative basis at closure and that, where this is the case, the necessary additional financial corrections are applied at closure so that this ultimate filter ensures that no material level of error exists in the co-funded expenditure.

At closure, the final balance can be determined and paid only if there are no pending issues identified in the programme or all pending issues have been resolved. Final payments can only be processed once all outstanding issues have been dealt with. In 2016 and 2017, the Commission carried out targeted audits to address any risk that it considered remaining high in view of the preparation for closure.

The Commission has reviewed all final control reports received at closure in March 2017 and has either validated the error rates communicated by the audit authorities or requested additional information or audit work to be performed, based on desk review of all documents transmitted and taking into account the results of the targeted audits mentioned above. For the desk review, a standard checklist was applied to all programmes, paying particular attention to some risks (in particular those identified by the European Court of Auditors in its 2016 Annual Report, namely confirmation of audits on the eligible amounts reported for financial instruments, verification that State aid or contractual advances were covered by real expenditure at closure, appropriate coverage of programmes by audit activities over the programming period, appropriate controls of the reliability of financial corrections used for the purpose of the calculation of the residual risk rate at closure).

Following its thorough examination, the Commission could validate the reported error rates and residual error rates in most cases. However, for some programmes, the residual risk rate has not yet been validated by the Commission as it requires assessing further information from Member States, including for the validation of the reported error rate for the last audit period or due to additional audit work requested by audit authorities when additional expenditure was declared at closure, too late for the audit authority to be able to cover it in the closure declaration.

The Commission will carefully complete the assessment of this indicator for the programmes which are not yet closed, and after all additional audit work requested

from some audit authorities is assessed, it will apply additional financial corrections where necessary.

More detailed information on the closure process and state of play are available in the 2017 Annual Activity Reports of DG REGIO and DG EMPL respectively.

234. (§ 188 - 2016/PAR/0654) The European Parliament calls on the Commission to present an analytical and consolidated report on all preventive measures and financial corrections imposed during the 2007-2013 programming period, building on the report for the preceding period.

Commission's response:

The reporting on the final outcome of closure for the 2007-2013 programming period as a whole will take place in the context of the Annual Activity reports of the respective Directorates-General.

More detailed information on the closure process and state of play are available in the 2017 Annual Activity Reports of DG REGIO and DG EMPL respectively.

235. (§ 189 - 2016/PAR/0655) The European Parliament underlines that payment interruptions and suspensions represent a significant financial risk for Member States and can also lead to difficulties for the Commission in its budgetary management; calls on the Commission to ensure balanced efforts to protect the budget and the achievement of the objectives of cohesion policy.

Commission's response:

REGIO and EMPL adopted a common approach to be followed in case significant deficiencies are detected in the management and control systems in order to ensure consistency across programmes and funds. All decisions on preventive and corrective measures are taken by a Committee chaired by the respective Director General in order to ensure proportionality of the measures requested, consistency across time and equal treatment between Member States.

The new approach adopted for 2014-2020 takes into consideration the 10% retention of payments on the amounts of each interim payment claim made by Member States (Article 130 of Regulation (EU)1303/2013. This provision (which did not exist in 2007-2013) covers the risk of irregular expenditure up to 10% and therefore allows the Commission to process payment claims with a risk below 10% and thus ensuring the budgetary execution while protecting at the same time the EU budget.

236. (§ 192 - 2016/PAR/0656) The European Parliament calls on the Commission to work in close cooperation with Member States' authorities in order to improve the efficiency of first and second level controls.

Commission's response:

In shared management, controls can only work effectively if national authorities make the necessary effort and use all available information. The Commission shares the view that not more but better control is needed, in first instance at the level of managing authorities and their intermediate bodies.

Over the previous period the Commission carried out audit and preventive actions to help Member States improve the first level controls. The Commission carried out audits targeting management verifications of managing authorities for high risk programmes. For REGIO more than 150 such audits have been carried out since 2010. The results of these audits conducted up to 2016 are presented in the 2016 AARs of DG Regional and Urban Policy and DG Employment, Social Affairs and Inclusion (see pages 61-64 and 65/66, respectively). Additionally, the Commission assisted and supported Member States through capacity building actions. The REGIO dedicated Administrative Capacity unit continues to organise targeted administrative capacity actions, exchange of expertise and of good practices between Member States, and to offer targeted training and support. REGIO and EMPL addressed updated guidance to Member States for 2014-2020 programmes, drawing on the lessons learned from the previous programming period which, combined with the required use of simplified cost options, should contribute to improving the quality of management verifications.

Finally, the Commission considers that the reinforced control procedures for 2014-2020, including increased accountability of managing authorities that have to deliver each year a management declaration, and have to carry out sufficiently robust management verifications on time to ensure that programme's annual accounts contain residual levels of errors below the materiality threshold of 2%, should result in lasting reductions of the error rates, as illustrated with the assurance packages received in 2017 and 2018. In addition, in 2014-2020, in cases where the Member State should have detected, reported or corrected serious deficiencies by the time of accounts but did not, the Commission will have to apply net financial corrections.

As for second level controls DG REGIO and DG EMPL work in close co-operation with audit authorities in the frame of the single audit concept. In this sense audit Directorates of each DG closely monitor and review the work of audit authorities but also organize capacity building actions (two technical meetings and one Homologues Group meeting per year with all Member States, one Annual control meeting per year per Member State and targeted bilateral meetings if needed), aimed to increase the efficiency of these controls.

237. (§ 193 - 2016/PAR/0657) The European Parliament calls on the Commission to provide Member States with guidance for harmonised reporting on implementation of financial corrections which will facilitate monitoring and evaluation of the impact of financial corrections executed by Member States.

Commission's response:

The Commission notes that financial corrections executed by Member States are to be reported in the relevant annexes of the accounts under the 2014-2020 programming period. Appropriate guidance has been already provided in that respect to Member States and further clarifications have been made on this guidance.

238. (§ 195 - 2016/PAR/0658) The European Parliament calls on the Commission to set up an integrated monitoring system, which allows the information in the databases to be used for comparative analysis, covering both preventive measures and financial

corrections for the 2014-2020 period as soon as possible and to provide timely access to information to Parliament, to Council and to the relevant Member States' authorities.

Commission's response:

DG REGIO is working on the development of an integrated IT tool to monitor the preventive and corrective measures for the 2014-2020 period.

The Commission also refers to its reply provided under 2016/COU/0333 .

Part XVI – Special Report No 6/2017 of the Court of Auditors entitled " EU response to the refugee crisis: the “hotspot” approach"

239. (§ 212 - 2016/PAR/0659) The European Parliament calls on the Commission, the European Asylum Support Office (EASO), Europol, Frontex (in light of its new mandate as European Border and Coast Guards), national authorities and other international organisations to continue and increase their support to the hotspots.

Commission's response:

The Commission services provided substantial financial and technical support to Greece to ensure that the different steps of the asylum procedure were made more effective, so as to reduce the time lapse asylum applicants remain on the islands. The Commission, in close cooperation with the relevant EU Agencies (mainly EASO and the EBCGA) and international organisations has been assisting the Greek authorities to address bottlenecks and to provide the operational support where necessary.

The Joint Action Plan annexed to the Commission's 4th Report on the Progress made in the Implementation of the EU-Turkey Statement of 8 December 2015 (COM/2016/792 final ANNEX 1) contributed to improving asylum processing in the hotspots by increasing the effectiveness and swiftness of procedures so that the backlog of first instance asylum cases on the islands could be eliminated before the summer season of 2017. To be noted that, by the end of 2017, with the exception of Samos and Lesbos, all other islands had practically eliminated the 1st instance backlog. The increased flows in the first quarter of 2018 have had a negative impact on the processing of asylum applications, increasing again the backlog. The average time for asylum applications to be processed at first instance was about 2 months in June 2018. The new Law 4540/2018, published on 22 May 2018, includes the necessary provisions to accelerate the asylum procedures leading to international protection or returns.

In the ambit of EASO's operational support under the 2017 Operational Plan to Greece, EASO deployed personnel (Member States experts, interim staff and interpreters), provided support in the provision of information to arriving irregular migrants, in the registration and in the referral to adequate asylum procedures, as well as assisted the Greek authorities with vulnerability and the best interest of the child assessments. EASO also provided support with carrying out admissibility interviews and full asylum examination for specific nationalities in the accelerated procedure. They also provided assistance to the Greek Asylum Service on the use of different tools to help increase efficiency of the deployed support staff (IT, administration etc.) to the hotspots to maximise the efficiency of the asylum operations.

Moreover, the Commission and EASO worked closely with the Appeals Authority and provided continuous support in terms of staff and technical assistance, in order to increase the efficiency of operations of the independent Appeal Committees and the number of the decisions taken at appeal stage, hence contributing to the decongestion of the islands. As regards staff, EASO provided 12 assistant legal rapporteurs to assist the drafting of the decisions by the Appeal Committees and is prepared to provide additional such staff. EASO deployed a

statistician to work within the Appeals Authority to support their data management processes, and an expert to improve their cases allocation system by developing the technical specifications of a tailored IT system which would accommodate the needs of the service. EASO has also provided for tailor made trainings.

In addition to the deployment of Member States' experts EASO provided support through interim staff and interpreters to support asylum processing for the duration of the Operational Plan. These additional categories of personnel provide for a more sustained support and decrease EASO's dependence on national experts' availabilities and on their turnover.

The 7th Report on the Progress made in the Implementation of the EU-Turkey Statement of 6 September 2017 (COM 2017/470), and the Progress report on the European Agenda on Migration (COM 2017/669) contain additional relevant information.

Several Italian authorities have submitted applications for ISF emergency assistance addressing needs in the hotspots, ports applying hotspot standard operating procedures and sea border surveillance operations. On 23 November 2017 the Commission awarded to Italy a total amount of EUR 39.92 million in ISF emergency assistance channelled through 11 projects. A further project and the Evaluation Committee will meet again on 26 January 2019 to take a final decision on award.

Frontex continues to support the Italian authorities in screening, registration, debriefings and documents checks in hotspots and other ports of disembarkation where hotspot procedures are applied. The Operational Plan for JO Themis 2018 increased also the attention on the security dimension, collection of intelligence and other steps aimed at detecting foreign fighters and other terrorist threats at the external borders.

Teams of experts with different profiles are present in hotspots and other ports of disembarkation where Standard Operating Procedures for Italian hotspots are applied. Deployment level remain significant though Italy recently requested to adapt the number of experts to the reduction in migratory flows registered in the last months. As a reference, at beginning of June 2018, 130 Frontex experts were present in Italy to assist its authorities in hotspot procedures, including cultural mediators. Frontex has also deployed technical equipment and containers in various disembarkation points.

The EASO operating Plan 2018 for Italy ensures continuation of the planned measures to give information to migrants at disembarkation. However, compared to previous years the number of experts working on this measure has been reduced given the expiration of the Relocation decision. The experts provide currently information on the possibility for family reunification under the Dublin regulation and international protection.

240. (§ 216 - 2016/PAR/0660) The European Parliament calls on the Commission and the Council to step up their efforts for supporting the hotspots through more effective relocation and, if there are no grounds for admission, return procedures.

Commission's response:

Throughout the implementation of the temporary emergency relocation scheme, the Commission coordinated and facilitated the relocation procedure in order to effectively implement the related Council Decisions on relocation. The said Decision expired at the end of September 2017. In close cooperation with all Member States, supported by EASO and other organisations (such as IOM and UNHCR), as of 8 June 2018, 34,691 persons were relocated from Greece and Italy to 24 Member States and associated countries. 21,999 persons were relocated from Greece and as of end March 2018 relocations from Greece are concluded. 12,692 persons have been so far relocated from Italy, while there are still 31 persons pending to be relocated. In total, over 95% of all persons eligible for relocation, that were registered for relocation and whose relocation request was sent to Member States of relocation, were effectively relocated.

As far as returns from Greece are concerned, the problems identified during the last SCHEVAL return evaluation (2016) persist, while the Greek action plan to address these inadequacies was considered to be largely inadequate. In 2017, 18,060 returns have been carried out from Greece, which corresponds to a return rate of 39.4%.

The Commission, in close cooperation with the relevant EU Agencies (mainly EASO and the EBCGA) and international organisations, has been in constant contact with the Greek authorities at all levels, to find solutions to accelerate returns, as return rates from the hotspot islands still remain unsatisfactorily. Since 21 of March 2016, a total number 2,231 illegally staying irregular migrants have been returned to Turkey both under EU-TR statement and GR-TR bilateral protocol.

Specific measures were agreed with Greece as part of the Joint Action Plan annexed to the Commission's 4th Report on the Progress made in the Implementation of the EU-Turkey Statement of 8 December 2015 (COM/2016/792 final ANNEX 1) and have been implemented. EBCGA escort officers have continuously been deployed at the hotspot islands at the level agreed with Greece, and Hellenic Police officers have continuously been deployed to the hotspot islands with financial support of the EBCGA. The Commission and EASO have provided technical support for the development of an entry and exit system at the hotspots, which will limit the risk of absconding prior to return.

Under the European AMIF National Programme, IOM worked hand in hand with the Greek authorities in providing information on asylum and migration law with a particular focus on assisted voluntary return and reintegration from the hotspot islands. By 8 June 2018, 2,651 migrants who had arrived on the islands have returned voluntarily to their country of origin as part of the Assisted Voluntary Return and Reintegration programme since it became available in the hotspot islands on 1 June 2016.

The new Law 4540/2018, published on 22 May 2018, includes the necessary provisions to accelerate the asylum procedures, which should lead to international protection or returns. A high level meeting on returns was held in June 2018 to

discuss inter alia ways to better link the end of the asylum procedure with the beginning of the return procedure.

In Italy, the return rate, both forced and voluntary, continues to be very low, both in absolute numbers and in relative terms compared to the number of arrivals, with return operations almost exclusively to Tunisia, Nigeria and Egypt which are based on existing bilateral return agreements. Commission held a workshop in Rome on 6 November 2017 and a follow-up technical meeting on return and readmission on 14 February 2018. During the workshop, Italy and the Commission agreed on solutions on how to improve the effectiveness of asylum and repatriation procedures, and how to overcome some critical issues encountered in these two areas with the support of the various stakeholders involved.

One important aspect discussed was how to link the asylum and return procedures following the rejection of an asylum application, and the possibility of launching pilot projects for certain third-country nationals whose country has recently concluded agreements or procedures with the Commission with the view to facilitating repatriation. In this regard, between January and May 2018, the Ministry of Interior carried out a pilot project for Bangladeshi irregular migrants.

In 2018, as of 3 June, 2,981 irregular migrants have been returned from Italy. From the beginning of pilot project on returns on 8 December 2017 to 11 March 2018, Italy participated in 8 return operations with only 8 returnees by scheduled flights to Morocco and Algeria. Furthermore, only 1614 assisted voluntary returns have been carried out from Italy from July 2016 until 8 June 2018.

241. (§ 220 - 2016/PAR/0661) The European Parliament calls upon the Commission and the Council to ensure the quality of the examination of asylum applications in the hotspots; calls for asylum seekers to be adequately informed about the relocation procedure as such, about their rights and about possible countries of destination.

Commission's response:

The Commission services provided substantial financial and technical support to Greece to ensure that the different steps of the asylum procedure were made more effective, so as to reduce the time lapse asylum applicants remain on the islands. The Commission, in close cooperation with the relevant EU Agencies (mainly EASO and the EBCGA) and international organisations has been in constant contact with the Greek authorities to address bottlenecks and to provide the operational support where necessary.

The Joint Action Plan annexed to the Commission's 4th Report on the Progress made in the Implementation of the EU-Turkey Statement of 8 December 2015 (COM/2016/792 final ANNEX 1) contributed to improving asylum processing in the hotspots by increasing the effectiveness and swiftness of procedures so that the backlog of first instance asylum cases on the islands could be eliminated before the summer season of 2017. To be noted that, by the end of 2017, with the exception of Samos and Lesbos, all other islands had practically eliminated the 1st instance backlog. The increased flows in the first quarter of 2018 have had a negative impact on the processing of asylum applications, increasing again the backlog.

The average time for asylum applications to be processed in first instance was about 2 months in June 2018.

In the ambit of EASO's operational support under the 2017 Operational Plan to Greece, EASO deployed personnel (Member States experts, interim staff and interpreters) provided support in the provision of information to arriving irregular migrants, including on relocation, in the registration and in the referral to adequate asylum procedures (including to the relocation scheme), as well as assisted the Greek authorities with vulnerability and the best interest of the child assessments. EASO also provided support by carrying out admissibility interviews and full asylum examination for specific nationalities in the accelerated procedure. In accordance with its mandate, EASO also carries out quality checks on randomly chosen asylum cases processed on the islands.

Moreover, the Commission and EASO worked closely with the Appeals Authority and provided continuous support in terms of staff and technical assistance, in order to increase the efficiency of operations of the independent Appeal Committees and the number of the decisions taken at appeal stage, hence contributing to the decongestion of the islands. As regards staff, EASO provided 12 assistant legal rapporteurs to assist the drafting of the decisions by the Appeal Committees and is prepared to provide additional such staff. EASO deployed a statistician to work within the Appeals Authority to support their data management processes, and an expert to improve their cases allocation system by developing the technical specifications of a tailored IT system which would accommodate the needs of the service. EASO has also provided tailor made trainings of the deployed personnel in cooperation with the Greek Asylum Service.

In addition to the deployment of Member States' experts, EASO provided support through interim and seconded experts to support asylum processing for the duration of the Operational Plan. These additional categories of experts provide for a more sustained support and decrease EASO's dependence on national experts' availabilities and on their turnover.

The 7th Report on the Progress made in the Implementation of the EU-Turkey Statement of 6 September 2017 (COM 2017/470), and the Progress report on the European Agenda on Migration (COM 2017/669) contain additional relevant information.

In Italy, asylum applications are not registered nor examined in the hotspots.

242. (§ 221 - 2016/PAR/0662) The European Parliament calls upon the Council to ensure that the persistent lack of experts is remedied by support from EASO as well as from Member States without further delay; is convinced that, especially in the case of Italy, additional support will also prove to be necessary in the future; calls upon the Commission and Council to agree on a plan to make such additional capacity readily available upon request from Italy and Greece.

Commission's response:

Regular calls for experts from Member States have been published by the EU Agencies and Member States have been regularly reminded at political level on the need to provide experts and to deploy them for longer periods. The Commission publishes regularly reports on the operationalisation of the European Border and

Coast Guard (EBCG) including the overview of gaps. The shortfall of experts was clearly raised in the Seventh Report on the Progress made in the implementation of the EU-Turkey Statement (COM(2017)470). The Commission Progress Report of 15 November 2017 on the European Agenda on Migration also includes recent information in this area (COM(2017) 372 final). In addition, this issue was tackled in the accompanying Staff Working Document on Best practices on the implementation of the hotspot approach (COM(2017)669) published on the same date. Frontex and EASO provide Member States with a weekly update on all their needs, with the precise information on profiles and period of deployment (minimum 1 month as specified in the European Border and Coast Guard Regulation). This specific issue was tackled in the Staff Working Document on Best practices on the implementation of the hotspot approach published on 15 November 2017 (COM(2017)669).

EU Agencies and Member States are cooperating closely to find the best way to balance the needs of experts in Greece and Italy with the constraints which Member States have when operating within their own internal workloads when staff are on deployment as experts, as well as with the challenges of EU Agencies on financial, administrative and management costs due to the high volume of placements.

EASO has now a functioning system in place and has learned to manage the complexities of short term deployment as the length of deployments seems to be not acceptable by Member States, especially smaller Member States.

Additionally, other solutions have been developed, such as the deployment of interim staff sourced from Framework Contracts in each country where an Operating Plan exists with EU Agencies, or the development of specific software to simplify the administrative and financial processing tasks as much as possible.

243. (§ 223 - 2016/PAR/0663) The European Parliament is concerned at the many different stakeholders currently being involved in the establishment and functioning of the hotspots and requests that the Commission and the Member States submit proposals which will make the structure more transparent and accountable.

Commission's response:

In the framework of the mid-term review of the European Agenda on Migration, the Commission's services carried out a broad consultation of relevant stakeholders, including the agencies on how the roles and responsibilities in the hotspots approach could be further clarified. This process led to the publication of the Staff Working Document on Best practices on the implementation of the hotspot approach published on 15 November 2017 (COM(2017)669). Furthermore, Terms of cooperation for the EU Regional Task Forces in Piraeus (Greece) and Catania (Italy) have been drafted in cooperation with all relevant stakeholders (Commission, national authorities and EU Agencies) and adopted in March 2018.

Part XVII – Special Report No 7/2017 of the Court of Auditors entitled "The certification bodies' new role on CAP expenditure: a positive step towards a single audit model but with significant weaknesses to be addressed"

244. (§ 231 - 2016/PAR/0664) The European Parliament calls on the Commission to make further efforts to tackle the weaknesses pointed out in the Court's report, and to achieve a truly efficient single audit model in CAP expenditure; encourages the Commission to monitor and actively support the CBs in improving their work and methodology on the legality and regularity of expenditure.

Commission's response:

The Commission considers that the recommendation is implemented as significant progress has been achieved in the Certification Bodies' work since the publication of the Special Report.

The new guidelines on the CBs' work on legality and regularity provide comprehensive clarifications and guidance as to the scope of work expected to be carried out. The guidelines have been updated based on the experience gathered. The updated guidelines applicable as from financial year 2018 (voluntary) and financial year 2019 (compulsory) offer all the clarifications to enable certification bodies to perform adequately their role within the single audit model.

245. (§ 240 - 2016/PAR/0665) The European Parliament points out that for non-IACS transactions (both EAGF and EAFRD), there is a significant disparity between the period for which the on-the-spot checks are reported (the calendar year) and the period for which expenditure is paid (from 16 October 2014 to 15 October 2015 for the 2015 financial year); notes that as a result, some of the beneficiaries subject to on-the-spot checks performed during the 2014 calendar year were not reimbursed in the 2015 financial year, and the CBs cannot include the results of such transactions in their calculation of the error rate for the financial year concerned; calls on the Commission to come up with an appropriate solution for the synchronisation of these calendars.

Commission's response:

The Commission considers this recommendation implemented. Following DG AGRI's guidelines (and in particular the revised guidelines applicable as from financial year 2018), the on-the-spot control re-verifications for the Non-IACS are not time-constrained and the selection of the sample is based on expenditure (and not on the controls done). In this way the re-verification calendar for the Non-IACS is linked to the expenditure.

Part XVIII – Special Report No 8/2017 of the Court of Auditors entitled "EU fisheries controls: more efforts needed"

246. (§ 251 (a) - 2016/PAR/0666) "The European Parliament asks the Commission, by 2020, to:

a) establish an information exchange platform to be used by the Member States to send validated data in standard formats and contents, so that the information available to the different Commission services matches the Member States' data.

Commission's response:

The development and implementation of an information exchange platform based on standardised data formats (UN/CEFACT) and exchange systems (FLUX) is progressing. The platform consists of different components which are being implemented progressively. In May 2018, most Member States had implemented the components for reporting of vessel position data (Vessel Monitoring System, VMS) and aggregated catch data. Testing of the components for fleet and logbook data are currently ongoing. The full implementation of the information exchange platform is scheduled for 31 December 2020.

247. (§ 251 (b) - 2016/PAR/0667) "The European Parliament asks the Commission, by 2020, to:

b) promote the development of a cheaper, simpler and user-friendly system to facilitate the electronic communication of fishing activities for vessels less than 12 metres long; introduce for vessels between 10 and 12 meters' long the obligation to use electronic recording and reporting systems (e-logbooks) instead of paper-based ones; introduce gradually for vessels less than 10 metres long the obligation to record and report their catches through a cheaper, simpler and user-friendly electronically-based system.

Commission's response:

On 30 May 2018, the Commission adopted the proposal for amendments of the Control Regulation (COM(2018(368))), which introduces an obligation for all masters of fishing vessels, regardless of the vessel length, to report catches electronically instead of using paper-based logbooks (Articles 15, 22, 24).

In addition to the legislative modifications, the Commission is taking measures to facilitate the introduction of cheap and user-friendly electronic reporting and monitoring systems within the small scale fleet, for example by organising meetings with Member States to share good practice in this area (e.g. meeting with Mediterranean Member States in Brussels in April 2018).

As concerns the Mediterranean and in the Black Sea, where the small-scale fleet is considerable (approximately 80% of the fleet), the Commission is placing specific emphasis at international level to improve the situation on culture of compliance and fight against IUU (illegal, unreported and unregulated) fishing, including for small-scale fisheries, in line with GFCM 2017-2020 strategy and commitments taken with the Malta MEDFISH4EVER Declaration. It is noted that a Regional Plan of Action for Small-Scale Fisheries, to be endorsed by the Mediterranean and Black Sea riparian countries in September 2018 is under preparation. The Plan

will promote, inter alia, the development of information and data collection systems, involving small-scale fisheries actors in the collection of regional-level data on fleets and fishing activities, including the record of all catches. It will also encourage the equipment of vessels with efficient communication and navigation tools.

248. (§ 251 (c) - 2016/PAR/0668) "The European Parliament asks the Commission, by 2020, to:

c) analyse the remaining problems in data completeness and reliability at Member State level and decide appropriate actions with Member States where necessary.

Commission's response:

The Commission regularly performs audits of the Member States' fisheries control systems to identify and address weaknesses that affect the completeness and reliability of fisheries data. For example, a series of catch registration audits was performed in the Mediterranean in 2017. The weaknesses identified will be addressed through action plans as provided for by Article 102(4) of the Control Regulation.

In 2018, catch registration audits will be performed in the Black Sea.

In order to evaluate the implementation of ECA's recommendation, the Commission aims at producing an overall assessment of the Member States' fisheries data reporting by 31 December 2020.

249. (§ 252 (a) and (b) - 2016/PAR/0669) "The European Parliament, in the context of any future amendment to the Control Regulation, and in order to improve the completeness and reliability of fisheries data, calls on the Commission to include in its legislative proposal:

a) the removal of the Electronic Reporting System and electronic declaration exemptions for vessels between 12 and 15 metres long.

b) a review of the catch data reporting obligations of the Member States under the Control Regulation, in order to include the details of fishing area, size of vessels and fishing gear.

Commission's response:

On 30 May 2018, the Commission adopted the proposal for amendments of the Control Regulation (COM(2018)368).

According to the proposal, vessels between 12-15 meters can no longer obtain any exemption from using electronic catch reporting.

Also, in order to make it possible for the Commission to perform in-depth analyses of fisheries data, the proposal clearly stipulates (Article 110) that the Commission shall have direct access to Member States' non-aggregated data, among others data on fishing area, vessel size and fishing gear.

250. (§ 254 - 2016/PAR/0670) The European Parliament in the context of any future amendment to the Control Regulation, asks the Commission to include in its legislative proposal the mandatory use of the Electronic Inspection Report System by the Member States in order to ensure exhaustive and up-to-date national inspection

results; calls on the Commission also to include in the proposal an obligation on Member States to share the results of inspections with other Member States concerned.

Commission's response:

On 30 May 2018, the Commission adopted the proposal amending the Control Regulation (COM(2018)368).

The proposal introduces the mandatory use of electronic inspection reports (Articles 76 and 78) and the obligation on Member States to share inspection results with other Member States concerned (Article 111).

251. (§ 256 - 2016/PAR/0671) The European Parliament, in the context of any future amendment to the Control Regulation, asks the Commission to include in its legislative proposal a provision foreseeing a system to exchange data on infringements and sanctions in cooperation with the European Fisheries Control Agency and the Member States.

Commission's response:

On 30 May 2018, the Commission adopted the proposal amending the Control Regulation (COM (2018)368).

The proposal foresees a system to exchange data on infringements and sanctions between Member States and with the European Fisheries Control Agency (Articles 93, 110 and 111).

Part XIX – Special Report No 9/2017 of the Court of Auditors entitled "EU support to fight human trafficking in South/South-East Asia"

252. (§ 262 - 2016/PAR/0672) The European Parliament calls on the Commission to develop a comprehensive, coherent and reliable database on anti-trafficking financial support so that the distribution of funds is more justified and reaches the recipients that actually have the most pressing needs; agrees with the Council on the necessity of elaborating an updated list of regions and countries affected by human trafficking and inclusion of that list in the database.

Commission's response:

The recommendation is partially accepted by the Commission.

Whereas the Commission agrees that sufficient and comparable data on anti-trafficking activities is needed, establishing a special database with anti-trafficking projects does not seem to be the best way forward in that regard.

Firstly, it is not entirely clear how such a database could enable a more "justified distribution of funds and reaching the recipients that actually have the most pressing needs", which is the objective sought by the Parliament through its request. Even a most comprehensive database could only provide information about past and ongoing projects, and, at best, their results and lessons learnt. This, however, cannot replace a dialogue with partner countries and a thorough analysis of needs at the local level, which should be the basis for deciding whether or not an action on THB is necessary and possible.

Secondly, from a cost-efficiency point of view, it would be difficult to justify developing a dedicated database for only one of many areas in which the Commission funds projects. If this approach was followed for other areas, this would mean, in the area of development cooperation, the establishment of a large number of thematic databases. Although not perfect, the current database of projects funded through external funding instruments (CRIS) and other tools linked to it allow for identifying the relevant projects. This should be further improved with the system that will replace CRIS in the near future, namely 'Opsys'.

Furthermore, the Commission has appointed an EU Anti-Trafficking Coordinator who is tasked with monitoring the implementation of the EU Strategy towards the Eradication of Trafficking in Human Beings. Therefore, the Coordinator's role is to ensure that THB related funding matches policy priorities as well as to avoid duplication and ensure synergies with other actions. In this regard, the information about the anti-THB projects is already being collected internally and made available at the website by the EU ATC. The different services of the Commission contribute regularly to updating this list.

A joint DG NEAR / DG DEVCO strategic policy evaluation with focus on smuggling and trafficking in human beings will also be launched in the coming months. This evaluation will contribute to improving the decision-making process in this area to come up with more justified decisions on financial allocations.

To ensure transparency and accountability, the Commission has published in 2016 the Comprehensive Policy Review of Anti-Trafficking Projects, as a deliverable of

the EU strategy towards the eradication of trafficking in human beings 2012-2016. The Study reviews 321 anti-trafficking projects directly funded by the Commission for a total of EUR 158.5 million during the period 2004-2015. The projects were awarded to 221 different principal grant holders and ran activities in over 100 different countries worldwide.

Finally, the Communication of 4 December 2017, stepping up EU Action to address trafficking in human beings, sets forth as a cross-cutting priority to provide appropriate funding in support of anti-trafficking initiatives and projects - both within the EU and elsewhere - including projects taking particular account of the gender dimension of the phenomenon, high-risk groups as well as high-risk sectors. The cross cutting action takes into consideration, amongst other things, the outcomes of the Comprehensive Policy Review of Anti-trafficking Projects.

253. (§ 266 - 2016/PAR/0673) The European Parliament calls on the Commission and the Member States to continue the fight against human trafficking inside the Union with political and judicial cooperation so as to tackle the mafias that use the Union as a final destination for the victims of human trafficking, as noted in the communication of December 2017.

Commission's response:

The Commission is tirelessly working towards eradicating trafficking in human beings. The December 2017 Communication included a set of actions which are already being implemented. In this respect, the mandate of the EU Anti-Trafficking Coordinator in contributing to a coordinated and consolidated Union response to address trafficking in human beings runs until 2020. To reinvigorate the commitment for a coordinated and coherent fight against trafficking in human beings, 10 EU Agencies (Europol, Eurojust, CEPOL, EBCGA, EASO, FRA, EIGE, EUROFOUND, E-LISA, EMCDDA) co-signed a statement of cooperation building on the synergies created based on the 2011 Joint Statement and the work carried out under the EU Strategy towards the eradication of trafficking in human beings 2012-2016 (COM(2012) 286 final). These actions will include among others operational and technical support to promote judicial cooperation, joint investigation teams and building capacities. Especially on the external dimension of the actions, a series of projects that help build capacities in countries of origin and transit are already underway, and two targeted calls under the Internal Security Fund and the Asylum, Migration and Integration Fund are currently finalised. A number of EC funded projects are already implemented and support judicial training, judicial cooperation, use of financial investigations, support to victims and civil society organisations. The Commission will report by end 2018 on progress made.

254. (§ 268 - 2016/PAR/0674) The European Parliament invites the EEAS and the Commission to also address the issue of human trafficking by exploring other channels of action like bilateral and multilateral agreements.

Commission's response:

In its proposals for the opening of negotiations for the conclusion of international agreements with partner countries, the Commission includes the standard clause on essential elements which comprises the respect for human rights. In almost all

of these agreements cooperation obligations concerning migration are also included. For the successor agreement of the Cotonou Agreement with 78 ACP countries, for which the Council has just authorized the opening of negotiations, human trafficking is addressed in the negotiation directives.

Part XXII – Special Report No 12/2017 of the Court of Auditors entitled "Implementing the Drinking Water Directive: water quality and access to it improved in Bulgaria, Hungary and Romania, but investment needs remain substantial"

255. (§ 282 - 2016/PAR/0675) The European Parliament, as access to good quality drinking water is one of the most basic needs of citizens, stresses that the Commission should do its utmost to better monitor the situation, especially in regards to small water supply zones, which are closest to end-users.

Commission's response:

On 1 February 2018, the Commission published a proposal for a revised Drinking Water Directive (COM(2017)0753 final). The proposal includes provisions concerning monitoring of implementation (new Article 15), in particular the set-up of datasets containing relevant information (such as incidents, exceedances, risk assessments, etc.). Member States will have to provide this information in the datasets regardless of the size of the water supply zones (this means that small water supply zones would no longer be exempted from the "reporting" obligations).

Part XXIII – Special Report No 13/2017 of the Court of Auditors entitled "A single European rail traffic management system: will the political choice ever become reality?"

256. (§ 294 - 2016/PAR/0676) The European Parliament is concerned at the high rate of decommitment related to TEN-T support for ERTMS projects mainly motivated by the fact that Union financial provisions are not aligned with the national implementation strategies; welcomes the fact that the Commission is adapting CEF financing procedures where possible; calls on the Commission to consider and assess the situation and to take the necessary measures to overcome these shortcomings.

Commission's response:

The Commission has, as noted in the recommendation, taken steps within the current legal framework to address rates of decommitments. Progress of projects under CEF will be monitored by INEA and the Commission until the end of the current MMF

257. (§ 296 - 2016/PAR/0677) The European Parliament calls on the Commission to ensure that shortcomings related to incompatibilities of the system are effectively overcome within the next programming period.

Commission's response:

Insofar as it is within their remit the Commission and ERA are addressing and will continue to address incompatibilities, for example through the new powers for ERA through the fourth rail package, the 2016 Memorandum of Understanding between the Commission, ERA, and stakeholders, and the Commission Staff Working Document ERTMS; The Way Ahead.

Part XXV – Special Report No 16/2017 of the Court of Auditors entitled "Rural Development Programming: less complexity and more focus on results needed"

258. (§ 317 - 2016/PAR/0678) The European Parliament calls on the Commission to take measures with the Member States by the end of 2018 to ensure that enhanced annual implementation reporting in 2019 provides clear and comprehensive information on programme achievements and that the required answers to common evaluation questions provide an improved basis for the next programming period.

Commission's response:

The Commission is in a thorough discussion process with MS and offers operational support to help them to improve reporting, in particular as to the enhanced annual implementation report 2019. The Commission also supports the MS in order to make full use of the potential of the Common Evaluation and Monitoring System, which exists for the Rural Development Policy.

Part XXVI – Special Report No 17/2017 of the Court of Auditors entitled "The Commission's intervention in the Greek financial crisis"

259. (§ 329 - 2016/PAR/0679) The European Parliament asks the Commission to improve the general procedures for designing support programmes, in particular by outlining the scope of the analytical work needed to justify the content of the conditions and where possible by indicating the tools which could be drawn upon in relevant situations.

Commission's response:

The Commission accepts the recommendation. It will specify a framework for establishing conditionality and give more clarity on the types of analytical tools to be used.

260. (§ 330 - 2016/PAR/0680) The European Parliament underlines the need for the Commission to improve its arrangements for monitoring the implementation and roll-out of reforms so as to identify better administrative or other impediments to the effective implementation of the reforms; considers additionally that the Commission needs to ensure that it has the necessary resources to undertake such assessments.

Commission's response:

The Commission accepted the recommendation. Programme conditions are detailed in order to facilitate monitoring of compliance. Their state of play is described in the monitoring tables during the programme reviews and their final assessment is submitted to the EWG for verification before presentation to the Eurogroup.

All the necessary records in relation to the features of the programme design, the selection of conditions and the Commission's monitoring of programme implementation are today kept in the unit's drive. E-mails are kept in Ares.

As an additional example for budget monitoring purposes the Commission by now quarterly defines cash balance or arrears targets in the Technical Memorandum of Understanding accompanying each Supplemental Memorandum of Understanding at the end of each review of the ESM programme for Greece.

For future programmes, the vade mecum on euro area programmes which was adopted by senior management at their meeting on 27 February 2018 provides guidance to future programme teams to ensure compliance with this recommendation.

Since the inception of the financial/economic crisis, several initiatives have been launched both at Commission-wide and DG level in order to foster the rapid mobilisation of human resources and expertise.

Regarding ensuring the availability of necessary resources, the Commission introduced a secondment procedure (preceded by a call for expression of interest) in cases of extreme urgency where there is a need for a rapid redeployment of resources from one DG or service to another. This procedure was notably exploited to resource the former Task Force for Greece (transformed into the current Structural Reform Support Service). In addition, since 1 October 2012, the eCV

(electronic CV) facility, a corporate tool storing information in Sysper on the personal and professional profiles of Commission staff, established a comprehensive data base of the Institution's expertise and talents, hence allowing quicker identification of suitable staff for emerging resource requirements.

At the level of DG ECFIN, the concept of Teams for Themes allows working parties to be assembled quickly for priority time-bound projects drawing upon relevant experience from across the DG. In response to a very important recommendation from the Commission's Internal Audit Service, precisely related to the rapid mobilisation of resources, DG ECFIN has rolled out a Workload Management Tool measuring the share of unit resources dedicated to activities identified in DG ECFIN's Strategic and Management Plans. At Commission-level the planned roll-out of the ATLAS tool in fall 2018 will serve the same purpose. Finally, a Planning Tool mapping directorates' workstreams, outputs and activities allowing the planning and tracking of deliverables in order to increase the alignment with Management Plan objectives and urgent requirements is in place since 2017.

Part XXVII – Special Report No 18/2017 of the Court of Auditors entitled "Single European Sky"

261. (§ 335 - 2016/PAR/0681) The European Parliament asks the Commission to look further into the details of the deliverables of the SESAR Joint Undertaking as they might not be applicable to the current situation where the Single European Sky has not been implemented and they risk being applied in air systems which are not able to cooperate with each other.

Commission's response:

The SESAR Joint Undertaking, in cooperation with the Commission and stakeholders, is currently reviewing and updating the European ATM Master Plan to align the SESAR 2020 work programme and future activities of the SESAR project with a renewed vision for the future ATM system. This vision will also take into account the results of the new airspace architecture study (EP Pilot project). The Commission is also analysing the current fragmentation of ATM systems resulting from the lack of interoperability between ground systems and the uneven equipage of airborne systems.

262. (§ 336 - 2016/PAR/0682) The European Parliament asks the Commission to present details of its contract with Eurocontrol in order to monitor the spending of Union taxpayers' money.

Commission's response:

The implementation of the performance scheme was supported by Eurocontrol, which also provided support to the PRB. This was set up through framework and specific contracts between the Commission and Eurocontrol. The current contract with Eurocontrol covers the provision and dissemination of collected and validated performance related data, the provision of pre-analysed data as inputs to the annual monitoring processes for target setting and performance plans assessment as well as enhancement of data provision processes. The contract was signed on 13th October 2017 and runs for 52 weeks, for a total value of €8.7m.

263. (§ 338 - 2016/PAR/0683) The European Parliament asks the Commission to inform Parliament's responsible committee why it has not launched infringement procedures on the non-implementation of the Functional Airspace Blocks, which were supposed to be operational in 2012 but have not been functioning until now.

Commission's response:

The infringement procedures are currently on hold while the Commission is carrying out its current action plan to boost the implementation of FABs (2018-2019). Moreover, the concept of FABs will mostly likely be reviewed following the results of the new airspace architecture study due to be concluded by Q4 2018. The Commission will thus decide in 2019 whether it will close or escalate the infringement cases.

Performance, financial management and control of EU agencies

264. (§ 4 - 2016/PAR/0684) The European Parliament calls on the Commission to work in close cooperation with the agencies Network and the individual agencies when preparing its proposal for the post-2020 Multiannual Financial Framework and examining alternative sources of financing for the Union's decentralised agencies.

Commission's response:

The Commission proposals for the post-2020 Multiannual Financial Framework as adopted on 2 May 2018 are based on an open and inclusive debate, which was launched in 2017 with the White Paper on the Future of Europe and the Reflection Paper on the Future of EU Finances. The indicative amounts for the EU contribution to decentralised agencies for the period 2021-2027, as presented per MFF heading, are based on an assessment of needs of individual agencies, and takes account of the expected evolution of fee-financed activities of partially fee-financed agencies.

265. (§ 5 - 2016/PAR/0685) The European Parliament emphasises that the Interinstitutional Working Group on decentralised agencies examined, in particular, the pilot case of the European Aviation Safety Agency (EASA) for fee-financed agencies; states that even if agencies are fully fee-funded, they are still fully accountable to the discharge authority considering the reputational risks involved; expresses, moreover, its concerns with the quality indicators used in the EASA pilot, as these are heavily focusing on customer satisfaction and less on air safety; calls upon the Commission to examine how the independence of fully fee-funded agencies can be ensured.

Commission's response:

As set out in more detail in the Commission contributions on the EASA pilot case in the context of the Interinstitutional Working Group on decentralised agencies, the Commission acknowledges the governance issues surrounding fee-financing, including as regards the need to put in place procedures on conflict of interest. The Commission contributions to the IIWG have also covered the issue of how to provide assurance as regards the quality of services delivered. As agreed as part of the follow-up to the recommendations of the IIWG, the Commission intends to carry out an evaluation of the EASA pilot case.

266. (§ 11 - 2016/PAR/0686) The European Parliament believes that the Network provides for concrete added value in the relations between the Union Institutions and the decentralised agencies; considers that it would be an asset to support the management of the Network's Shared Support Office in Brussels; strongly supports its request for one temporary agent post, whose cost would be shared amongst the agencies in the European Food Safety Authority (EFSA) 2019 budget request, especially if the competences of the Network are clarified and, whilst respecting the autonomy of the agencies, are strengthened, whenever possible; encourages the Commission to include the extra post in its proposal for the 2019 budget.

Commission's response:

The Commission has proposed, in its Statement of Estimates for the 2019 Draft Budget (SEC (2018) 250, 23.5.2018) to allocate one additional post to EFSA, as outgoing chair of the Network of Agencies, to create a position for the the Head of the Shared support office in Brussels. This is with the aim of promoting efficiency gains and synergies among agencies and with the institutions, so that individual agencies can focus their resources on core tasks. The financing of the post for the Head of the Shared Support Office will be shared between the agencies, which means that no additional funding for EFSA is required in this respect.

267. (§ 19 - 2016/PAR/0687) The European Parliament [§ 18] [recognises that the European Border and Coast Guard (Frontex) and EASO were confronted with administrative and operational challenges and high expectations without much time to adapt their systems and procedures and to hire the necessary staff. As a result they faced problems in absorbing additional Union funds granted during the budgetary year.] The European Parliament invites the Commission, the Court and the Network to discuss and to propose possible solutions for this issue, in order to streamline, in particular, financial management in the areas of multiannual programming and procurement.

Commission's response:

The Commission acknowledges the complex environment in which the European Border and Coast Guard (Frontex) and EASO have had to operate in the response to the migration crisis. The Commission has recently proposed to strengthen the governance of EU decentralised agencies in the context of the revision of the Framework Financial Regulation. In addition, the Commission proposals for their new mandates as adopted on 12 September 2018 aim at enabling the agencies to properly carry out their expanded tasks, both by proposing to grant them adequate additional resources and by strengthening their governance and control frameworks commensurate to the scale of the activities and the challenges faced on the ground

268. (§ 23 - 2016/PAR/0688) The European Parliament expresses its disappointment with the outcome so far in this respect of the Inter-Institutional Working Group on decentralised agencies, as no specific proposals were developed to merge or co-locate agencies concentrating on related policy fields; calls upon the Commission to prepare a survey of possible steps in this direction.

Commission's response:

The Terms of Reference for the Inter-Institutional Working Group on decentralised agencies do not require the Group to develop specific proposals to merge or co-locate agencies. What they refer to are Group recommendations concerning agencies' resources, to be taken into account by the Institutions when conducting their work. Following agreement by the European Parliament, Council and Commission, in 2018 the Group endorsed 6 recommendations. The Commission will be conducting its work on agencies, including work on revising agencies' founding acts, taking into account these recommendations. In light of this, the Commission does not consider "a survey of possible steps" is necessary at this time.

269. (§ 24 - 2016/PAR/0689) The European Parliament notes that some agencies continue to have dual headquarters and multiple operational centres and offices; considers that all dual and multiple seats which do not offer any operational added value should be done away with at the earliest opportunity; expects the Commission's evaluation in this regard, which should focus on added value and the costs incurred.

Commission's response:

When proposing legislation to revise agencies' founding acts, the Commission systematically includes a provision according to which any agency decision to open an office outside the headquarters has to be subject to an assessment and prior consent. The Commission notes, however, that the co-legislators have introduced amendments to these provisions weakening the institutional monitoring and control over the creation of such offices. Following agreement by the European Parliament, Council and Commission, the Inter-Institutional Working Group on decentralised agencies' resources endorsed in 2018 six recommendations concerning agencies' resources, to be taken into account by the Institutions when conducting their work. One of these recommendations recommends to the Commission that it takes stock of agencies operating from multiple locations. The Commission will launch a stock-taking exercise, in accordance with the agenda planning.

270. (§ 32 - 2016/PAR/0690) The European Parliament is concerned that with the additional staff reduction, fulfilment of the agencies' mandates and annual work programmes are proving increasingly difficult to deliver, particularly for the agencies classified by the Commission as "cruising speed agencies"; calls on the Commission and the budgetary authority to look into other options in order not to hinder the agencies' ability to fulfil their mandate; recommends that the budgetary authorities authorise additional resources to agencies that are entrusted by the legislators to carry out new tasks; calls moreover on the Commission to recognise the savings the Network and the individual agencies achieved by using joint procurement procedures, by increasing efficiency and human resources management, as well as to allow, where needed, for the staff reduction targets to adapt accordingly.

Commission's response:

The Commission notes that the 5 year period of staff reductions in decentralised agencies (covering the years 2014-2018) has come to an end with the adoption of the 2018 budget. The Inter-institutional Working Group on Agencies Resources has addressed a recommendation to the Commission and to the European Parliament and the Council as the two arms of the budgetary authority, to propose and authorise adequate agency resources allocations in the remaining years of the 2014-2020 multi-annual financial framework, while efforts to achieve efficiency gains should be pursued across the board. Consequently, the Commission's resources request for decentralised agencies in the Draft Budget 2019 is based on a stabilisation of staff numbers for all types of staff (establishment plan posts, contract agents and seconded national experts), at the level of the voted budget 2018. However, due account is taken of legislative proposals assigning new tasks to the agencies and which require additional resources, for instance as a response to the migration and security crisis or in the field of financial supervision.

271. (§ 33 - 2016/PAR/0691) The European Parliament is of the opinion that contract staff should be used mainly as a temporary measure in agencies with the greatest demand for new staff due to an increase in workload; calls on the Commission to deliberate again on its plans for a further 1 % annual staff reduction.

Commission's response:

The Commission notes that the 5 year period of staff reductions in decentralised agencies (covering the years 2014-2018) has come to an end with the adoption of the 2018 budget. Consequently, the Commission's resources request for decentralised agencies in the Draft Budget 2019 is based on a stabilisation of staff numbers for all types of staff (establishment plan posts, contract agents and seconded national experts), at the level of the voted budget 2018. However, due account is taken of legislative proposals assigning new tasks to the agencies and which require additional resources, for instance as a response to the migration and security crisis or in the field of financial supervision.

272. (§ 34 - 2016/PAR/0692) The European Parliament calls on the Commission to work on the revision of the formula used to calculate the correction coefficient in order to find a more effective balance between a tempting salary and a low cost of living.

Commission's response:

Commission services will continue their efforts to boost the Agencies' attractiveness within the current statutory and financial framework. The correction coefficient is a statutory rule aiming at achieving identical purchasing power between all staff of the EU institutions regardless of their place of employment (an implementation of the principle of equal treatment). While in the last years until 2016, due to higher inflation rates in Brussels and Luxembourg, the correction coefficients decreased in many locations within the EU, the 2017 update published in December 2017 had an upward effect on quasi all coefficient.

Eurostat and the national statistical experts from the Member States, in charge of the technical implementation of the rules on correction coefficients, are currently engaged in a process of further developing the methodological scope of their calculation within the limits of the current statutory and financial framework.

Bodies set up under the TFEU and the Euratom Treaty

273. *(BBI § 18 (In connection with EP resolutions concerning Clean Sky § 22 , ECSEL § 18, FCH § 18, IMI § 16, SESAR § 30 and Shift2Rail § 17) - 2016/PAR/0693)* The European Parliament calls on the Commission to ensure the direct involvement of the Joint Undertaking in the process of the Horizon 2020 mid-term review in the sphere of further simplifications and harmonisation of joint undertakings.

Commission's response:

The Commission's proposal for Horizon Europe has already been made. The Commission is now working with all stakeholders, including the Joint Undertakings, on the implementation of a strategic programming process. This process will examine the future of different partnerships with private and public partners according to a fixed set of criteria, and, if and when a partnership is confirmed, it will be involved in the implementation of the new Programme.

274. *(SESAR JU § 32 - 2016/PAR/0694)* The European Parliament calls on the Joint Undertaking and the Commission to evaluate the results of the deployment of SESAR solution, especially from the point of view of assuring the interoperability and of the steps forward in completion of the Single European Sky.

Commission's response:

The Commission accepts the recommendation. Monitoring and evaluation of the progress and results of SESAR deployment are continuous tasks carried out by the Commission and the SESAR Deployment Manager in accordance with Reg. (EU) 409/2013 and under the reporting and monitoring requirements defined in the framework partnership agreement signed between the Commission and the SESAR Deployment Alliance AISBL. These results are reported in the Execution Progress Reports and the Monitoring view of the SESAR Deployment Programme. Moreover, the SESAR Joint Undertaking also follows the implementation of SESAR solutions through the reporting on the level 3 of the European ATM Master Plan (The European Single Sky implementation Plan). On the basis of these reports, the Commission will inform the European Parliament on the results of the deployment of SESAR solutions at the end of 2019.

275. *(EASA § 37 - 2016/PAR/0695)* The European Parliament welcomes the political agreement on the revision of the common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, as agreed in November 2017 by the Parliament, the Council and Commission; urges the Commission and Member States to provide necessary resources for the new and reinforced competences concerning, among others, risks to civil aviation arising from conflict zones, environmental related topics and the certification and registration of unmanned aircraft.

Commission's response:

The Commission considers that the additional resources requested for EASA in the revised legislative financial statement are sufficient to enable the Agency to carry out the tasks agreed as part of the revision of the EASA basic Regulation.

As to the more specific issues raised in the recommendation

1) Conflict zones: The current draft text of the revised EASA Basic Regulation includes in its Article-88 new competencies related to risks to civil aviation arising from conflict zones.

The Commission has ensured that its integrated risk assessment process, conducted with Member States, allows the agency to discharge this new competence.

2) Environment: The Commission is fully involved and committed to ensure the implementation of the ICAO's Global Market-Based Measure (CORSIA), and expects it to be operational by 2021 as initially planned. The EU should lead by example and implement CORSIA from the start and will come forward with implementing rules on monitoring, reporting and verification of emissions still this year.

The EC will amend the Commission Regulation (EU) No 748/2012 as regards the implementation of essential requirements for environmental protection aiming at reducing aviation's climate change and local air quality impact by introducing the new ICAO aeroplane CO2 standard into European Union (EU) legislation.

Additionally SESAR is a major contributor to the Single European Sky's (SES) performance, including the environmental one. The SESAR initiative defines, develops and implements solutions through 300 projects contributing to CO2 emission savings. Free route airspace alone, especially if implemented across borders and coordinated by the Network manager, can represent 30% of the total expected savings.

3) Unmanned aircraft: In line with the new EASA Basic Regulation, the Commission will adopt common rules for the registration of the drones' operators and the certified drones.

276. (EASO § 9 - 2016/PAR/0696) The European Parliament is of the opinion that granting discharge before all the relevant information regarding the Office's operations [OLAF has opened an investigation on the Office's operations] are fully known would not be responsible; calls on OLAF to inform the discharge authority of the outcome of the investigation as soon as it is closed in order to include any relevant findings in the 2016 discharge report on the Office.

Commission's response:

In general, OLAF, upon completion of its investigations, notifies the relevant authorities and institutions as required by the legislation. Upon request, the Commission can inform the competent Committee when the investigations are completed in accordance with the applicable provisions under the Interinstitutional Agreement between the Parliament and the Commission.

277. (ECHA § 33 - 2016/PAR/0697) The European Parliament acknowledges the fact that the Court of Auditors' report states that, unlike most other agencies, the Agency's founding regulation does not explicitly require periodical external evaluations of its activities, which are key elements to assess performance; notes however from the Agency's reply that the Commission commissioned an external performance evaluation study in 2016 and that the consultant's report has already been published on the Commission's website; calls on the Commission to include the mandatory

periodical evaluation in any future proposal for a revision of the Agency's founding regulation.

Commission's response:

The Commission accepts the recommendation from the Parliament to include the mandatory periodical evaluation in the future proposal for a revision of the Agency's founding regulation.

278. (ECHA § 39 (In connection with EFSA § 44) - 2016/PAR/0698) The European Parliament calls on the Commission to launch a policy debate with relevant stakeholders in order to review Union legislation related to risk assessment for food, chemicals and related products and the effectiveness of such legislation.

Commission's response:

In April 2018 the European Commission officially proposed a targeted revision of the General Food Law Regulation on the transparency and sustainability of the EU risk assessment in the food chain. The Commission targeted proposal aims at amending specific aspects of Regulation (EC) No 178/2002 which sets out the general principles and requirements of food law, establishing the European Food Safety Authority (EFSA) and defines procedures in matters of food safety. The Commission proposal would also amend other eight sectoral legislative acts to provide a coherent framework in the relevant sectors.

The Commission responded this way to the findings of the Regulatory Fitness Check of the General Food Law that was recently carried out, and to the concerns expressed by citizens in a successful European Citizens' Initiative.

This targeted proposal aims at improving the transparency and sustainability of the EU risk assessment in the food chain. Citizens and stakeholders had the opportunity to provide feedback on a Commission roadmap from 20 December 2017 to 17 January 2018. 20 stakeholders (15 trade and business associations, four Non-Governmental Organisations and one Member State authority) and one citizen submitted feedback.

This was followed by an open public consultation, targeting citizens and stakeholders, open from 23 January 2018 to 20 March 2018. The consultation received replies from 471 participants: 318 citizens and 153 stakeholders.

The Commission staff working document SWD(2018) 97 summarizes the results of the public consultation.

The Commission aims at having the proposal adopted by the Council and the European Parliament during the current legislative framework. In order to meet this deadline, the Commission is already closely coordinating with the Council and the European Parliament.

279. (EFSA § 44 (In connection with ECHA § 39) - 2016/PAR/0699) The European Parliament calls on the Commission to launch a policy debate with relevant stakeholders in order to review Union legislation related to risk assessment for food, chemicals and related products and the effectiveness of such legislation.

Commission's response:

In April 2018 the European Commission officially proposed a targeted revision of the General Food Law Regulation on the transparency and sustainability of the EU risk assessment in the food chain. The Commission targeted proposal aims at amending specific aspects of Regulation (EC) No 178/2002 which sets out the general principles and requirements of food law, establishing the European Food Safety Authority (EFSA) and defines procedures in matters of food safety. The Commission proposal would also amend other eight sectoral legislative acts to provide a coherent framework in the relevant sectors.

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The Commission aims at having the proposal adopted by the Council and the European Parliament during the current legislative framework. In order to meet this deadline, the Commission is already closely coordinating with the Council and the European Parliament.

280. (EIT § 6 - 2016/PAR/0700) The European Parliament regrets to note from the Court's report that the Institute had four directors from its creation in 2008 until July 2014; observes that since August 2014 the position of director, and, since February 2013, another managerial position, have been filled on an ad interim basis; endorses the Court's comment that this is not only in contradiction with the one-year maximum period set for interim placements in the Staff Regulations, but also that the frequent changes and long interim solutions cause uncertainty to stakeholders and strategic continuity; acknowledges the Institute's reply that it is not in a position to comment on the recruitment procedure for the Institute's director, as that is managed by the Commission; strongly urges the Commission to finalize this outstanding procedure.

Commission's response:

The post of Director of the European Institute for Innovation and Technology (EIT) was published on 01/06/2018 in the Official Journal C 187 A under the reference COM/2018/20026. The vacancy is also visible on the EPSO website: https://epso.europa.eu/apply/job-offers_en. The deadline for applications is 29/06/2018 (at noon). The Commission will carry out the selection process as

rapidly as possible in light of the final number of applicants in order to present a shortlist of suitable candidates to the EIT Governing Board which is the appointing authority for the final decision on the appointment of a new Director of the Agency.

281. ***(EIT § 16 - 2016/PAR/0701)*** The European Parliament notes that the Commissioner for Research, Science and Innovation introduced in 2015 the concept of 'Open Innovation' as the key policy concept to frame innovation policy at EU level; considers that it is not clear which role the Institute plays in this concept; emphasises that this concept does not provide a clear framework for the development of a coherent and coordinated action by the Commission, given the number of policies and instruments in the mix and number of Directorate Generals involved in supporting the innovation; calls on the Commission to ensure a coordinated and efficient innovation policy, in which the responsible Directorate Generals tune up the activities and instruments, and to inform the Parliament on these efforts.

Commission's response:

The Commission's proposal for Horizon Europe covers the European Institute of Technology, and sets out clearly how the Institute will be involved in the Open Innovation concept. The strategic planning process that will be used in the implementation of Horizon Europe will ensure that all actors are closely involved in the development of coherent actions. The debate on the legislative proposal will give the Parliament the possibility to examine the innovation policy.

282. ***(EIT § 31 - 2016/PAR/0702)*** The European Parliament notes that the original target set by the Commission for the Institute to obtain financial autonomy was 2010; notes, furthermore, that the Institute obtained a partial financial autonomy in June 2011, under the condition of continued ex ante approval of grant related transactions and of procurements above EUR 60 000 by the Commission's Directorate-General for Education and Culture; acknowledges that the Institute requested the Commission to re-launch the process leading to full financial autonomy; acknowledges, furthermore, that the Commission set out the roadmap and timetable of the process in May 2016 and that the Institute submitted a completed self-assessment to the Commission in October 2016; calls on the Institute to report to the discharge authority on progress.

Commission's response:

Full financial autonomy has been granted to the EIT as of 1st January 2018. Due to a variety of issues (postponed EP discharge, qualified statement of assurance, etc.) it was not deemed appropriate to award autonomy until these underlying causes had been addressed appropriately.

283. ***(EMA § 36 - 2016/PAR/0703)*** The European Parliament notes in particular that the Agency will be facing an additional workload and additional budgetary needs throughout the 2018-2020 relocation and transition period, as a consequence of the decision of the United Kingdom (UK) to withdraw from the Union; calls on the Commission to make available adequate staff and budgetary resources during this period to ensure that the Agency can both continue to carry out its tasks effectively and launch all required activities in preparation for its relocation in 2019; proposes in addition that the Agency, limited by legislation and in line with the principle of

sound financial management, be authorised to maintain a budgetary reserve generated from revenue fees to respond to unforeseen costs and unfavourable exchange rate fluctuations that may be incurred in 2018 and beyond.

Commission's response:

The Commission is of the opinion that the resources level proposed in the Draft Budget 2019 is sufficient to allow the Agency to carry out its tasks and to ensure business continuity, against the background of relocation. The Commission will continue monitoring EMA's needs in this respect, and it will propose correcting measures if necessary. In the Commission's view, accurate revenue forecasting and continued monitoring of revenue and expenditure in the course of the year will enable the Agency to carry out its tasks without the need for a budgetary reserve, which (assuming accurate forecasting) would lead to scarce resources being locked into the Agency's budget. The Commission notes that exchange rate differences will no longer be an important element of uncertainty for the Agency, after relocation to the eurozone.

284. (EMA § 40 - 2016/PAR/0704) The European Parliament notes that the Court issued an emphasis of matter paragraph for the two London-based agencies, concerning the UK's decision to withdraw from the Union; notes that in view of the decisions on its future location, the Agency has disclosed in its financial statements an estimated EUR 448 000 000 rent for the remaining rental period between 2017 and 2039 as a contingent liability, as the rental contract does not include any exit clause; urges the Commission to take responsibility for these absurdly high liabilities and, together with the Agency, negotiate an acceptable deal with the lessor.

Commission's response:

As independent legal entities, decentralised agencies seek approval from the European Parliament and the Council of their building files autonomously from the Commission. The same applies to the agencies' lease agreements for their buildings. This procedure has also been followed prior to the signature of the lease of the European Medicines Agency's current building in London. The Commission cannot therefore accept to take responsibility for actions taken by the European Medicines Agency, as regards signing a lease agreement for its building in London. As regards negotiations with the United Kingdom on its withdrawal from the Union, the Commission conducts these negotiations in accordance with mandates set by the European Council.

285. (EU-LISA § 38 - 2016/PAR/0705) The European Parliament notes that a level of information exchange between the Agency and the Commission that would allow thorough preparation for activities after Brexit has not been completely arranged as some legal aspects, such as access to the systems managed by the Agency and use of data entered by the United Kingdom into them after Brexit, need further elaboration; calls on the Commission to help the Agency with solutions as soon as the negotiation process with the United Kingdom provides them with enough information.

Commission's response:

The Commission maintains close contact and continuous exchange of information with eu-LISA on issues related to preparations for Brexit. The issue of

disconnection and adaptation of databases and IT systems is one of strands of Commission's preparatory work (see the Communication Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019 - COM(2018) 556 final).

In accordance with the draft withdrawal agreement, following Brexit, the United Kingdom's participation to the eu-LISA Management Board meetings during the transitional period (from the date of entry into force of the withdrawal agreement to 31.12.2020) will only be possible exceptionally, if it is invited and certain conditions are respected (Articles 6 and 123(5) of the draft withdrawal agreement).

As regards access to the systems managed by eu-LISA and use of data entered by the United Kingdom, the United Kingdom will no longer be entitled to access any network, any information system and any databases established under Union law at the end of the transition period, unless provided otherwise (Article 7 and Article 121 of the draft withdrawal agreement).

The Commission will continue to work closely with eu-LISA throughout the negotiation process with the United Kingdom in order to find the best solutions to ensure a smooth transition to Brexit and the period after Brexit.

286. (Eurojust § 31 - 2016/PAR/0706) The European Parliament notes with concern, given the fast-reducing time frame, from Eurojust's reply that for the time being there is no information exchange between Eurojust and the Commission with regard to the preparation for carrying out Eurojust's future activities after Brexit; calls on both Eurojust and the Commission to ensure an efficient flow of the necessary information bearing in mind that a cooperation agreement with the United Kingdom will need to be put in place.

Commission's response:

Commission accepts the recommendation from the European Parliament to exchange information with Eurojust with regard to the preparation for carrying out Eurojust's future activities after Brexit. The Commission has been in close contact with the EU agencies, including Eurojust in the context of preparedness work for the United Kingdom's withdrawal. Eurojust experts have also given technical advice with regard to issues related to Eurojust in the context of negotiations of the Withdrawal Agreement. In line with the European Council guidelines and taking into account the European Parliament's resolution on this topic, the negotiations between the European Union and the United Kingdom have started scoping the framework of future relations between the United Kingdom and the European Union. As stated by Mr Barnier in his speech in Vienna in June, cooperation between Eurojust and the United Kingdom should be a component of such a framework. The detailed modalities of the future cooperation between Eurojust and the United Kingdom will need to be established in the agreement on future relations between the European Union and the United Kingdom. The implementation and completion of the recommendation by the European Parliament depends on the results of negotiations with the United Kingdom, on the Withdrawal Agreement as well as on the future relationship.