

THURSDAY, 13 DECEMBER 2018

9.00 - 11.45

Room: Louise Weiss N1.3, Strasbourg

1. ADOPTION OF THE AGENDA

The draft agenda was e-mailed to Members on 29 November 2018 and is in the [file for the meeting](#).

2. CHAIR'S ANNOUNCEMENTS

The Chair draws attention to the following points:

Languages available

FR, DE, IT, NL, EN, ES, CS, ET, PL, BG and RO.

Webstreaming

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

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

Voting cards

The electronic voting system will be used for the votes and Members are reminded to bring their electronic voting card.

THURSDAY, 13 DECEMBER 2018

9.00 - 10.00

PUBLIC MEETING

3. EU ANTI-FRAUD PROGRAMME

CONT/8/13488 - [2018/0211\(COD\)](#)



Consideration of draft report

Rapporteur: [José Ignacio Salafranca Sánchez-Neyra](#) (EPP)

Administrator: Tereza Pinto de Rezende

Shadow Rapporteurs: Arndt Kohn (S&D), Ryszard Czarnecki (ECR), Marco Valli (EFDD)

In the context of the next Multiannual Financial Framework (MFF), the EU Anti-Fraud Programme is intended to support the protection of the EU financial interests and promote mutual administrative assistance between customs authorities. The programme as proposed by the Commission largely rolls over the Hercule III Programme and combines it with the financing basis for the Anti-Fraud Information System (AFIS)

and the Irregularity Management System (IMS).

The Rapporteur in his draft report proposes to update the financial envelope in line with the MFF resolution adopted by Plenary in November 2018. He also proposes to set a co-financing rate for grants, which did not exist in the Commission's proposal, detailing the list of actions that can be financed through the programme. The Commission will submit an annual report on the performance of the programme to the Parliament and the Council and the final evaluation of the programme will be carried out by an independent evaluator within three years after its implementation. The Rapporteur proposes further indicators for programme monitoring. Broad empowerments concerning the re-allocation of amounts to different objectives and the adoption of work programmes may be carried out by the Commission through delegated acts. Countries which have specific agreements with the EU containing provisions dedicated to the fight against corruption should benefit from enhanced conditions to participate in the programme.

The Committee on Budgets has adopted its opinion aiming mainly at updating the figures according to the Parliament's position on the MFF.

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

CONT Timetable:

Event	Body	Date
Deadline for amendments	CONT	20 December 2018, 14.00
Adoption in CONT	CONT	28-29 January 2019
Adoption in Plenary	Plenary	February 2019

4. ECA OPINION N°9/2018 CONCERNING THE PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING THE EU ANTI-FRAUD PROGRAMME

CONT/8/15077

Presentation of the opinion by ECA Member responsible, *Eva Lindström*



Rapporteur: [José Ignacio Salafranca Sánchez-Neyra](#) (EPP)

Administrator: Tereza Pinto de Rezende

The Commission's proposed 2021-2027 EU Anti-Fraud Programme supports cooperation between Member States to protect the EU's financial interests. Projects include training and IT systems used to report detected (fraudulent and non-fraudulent) irregularities involving EU funds.

The Court of auditors questions the programme's value added and points out a risk of overlaps and lack of synergies between program funding similar actions, such as the Customs programme. The Court also considers that there is a need for more specific and measurable objectives with robust enough evaluation indicators, as well as clearer eligibility rules and clarifications regarding Member States' co-financing contributions.

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

*** ELECTRONIC VOTING ***

THURSDAY, 13 DECEMBER 2018

10.00 - 10.30

JOINT BUDG/CONT MEETING

JOINT VOTE WITH BUDG ON THE PROTECTION OF THE UNION'S BUDGET IN CASE OF GENERALISED DEFICIENCIES AS REGARDS THE RULE OF LAW IN THE MEMBER STATES

CJ13/8/13999- [2018/0136\(COD\)](#)

Adoption of draft report

BUDG Rapporteur: [Eider Gardiazabal Rubial](#) (S&D)

CONT Rapporteur: [Petri Sarvamaa](#) (EPP)

CONT Administrator: Philippe Godts

BUDG Administrator: Emiliano Imeroni

CONT Shadow Rapporteurs: Inés Ayala Sender (S&D), Ryszard Czarnecki (ECR), Nedzhmi Ali (ALDE), Bart Staes (Greens/ALE), Dennis de Jong (GUE/NGL), Marco Valli (EFDD)



BUDG Shadow Rapporteurs: Esteban Gonzalez Pons (EPP), Anneli Jäätteenmäki (ALDE), Sven Giegold (Greens/ALE), Younous Omarjee (GUE/NGL)

The Commission proposal that forms an integral part of the MFF 2021-2027 package, aims at establishing the rules necessary for the protection of the Union's budget in the case of generalised deficiencies as regards the rule of law in Member States.

CONT and BUDG Members tabled 242 amendments. The rapporteurs tabled a set of compromise amendments on the main issues. The draft report and the amendments are available on the [CONT website](#).

THURSDAY, 13 DECEMBER 2018

10.30 - 11.15

PUBLIC MEETING

5. ANNUAL REPORT 2017 ON THE CONTROL OF THE FINANCIAL ACTIVITIES OF THE EIB

CONT/8/13880 - [2018/2151\(INI\)](#)



Adoption of draft report

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

Administrator: Olivier Sautière

Shadow Rapporteurs: Tamás Deutsch (EPP), Ryszard Czarnecki (ECR), Nedzhmi Ali (ALDE), Indrek Tarand (Verts/ALE), Luke Ming Flanagan (GUE/NGL), Marco Valli (EFDD)

Following the presentation and exchange of views on the 2017 EIB annual report held in CONT on 27 September in the presence of the Vice-President of the EIB, Mr Alexander Stubb; the Committee on Budgetary Control (CONT) had an exchange of views on the draft report on 19 November.

The draft report raises a number of issues with regards to the role of the EIB for ensuring a value-adding strategic public investment in order to continue bridging recurrent investment gaps and reduce inequalities in the Union, the performance of the EIB's financial operations, the EFSI development and the enhancing of the transparency and accountability in EIB corporate governance.

The deadline for tabling amendments was on 26 November and 55 amendments were tabled. The Committee on International Trade (INTA) delivered an opinion on this CONT report on 23 November for which Mr William (The Earl of) Dartmouth was appointed Rapporteur.

The draft report and the amendments are available in all languages on the [CONT website](#).



6. ANNUAL REPORT 2017 ON THE PROTECTION OF THE EUROPEAN UNION'S FINANCIAL INTERESTS- FIGHT AGAINST FRAUD

CONT/8/13882 - [2018/2152\(INI\)](#)



Adoption of draft report

Rapporteur: [Marian-Jean Marinescu](#) (EPP)

Administrator: Michal Czaplicki

Shadow Rapporteurs: Peter Niedermueller (S&D), Ryszard Czarnecki (ECR), Nedzhmi Ali (ALDE), Benedek Jávor (VERTS/ALE), Luke Ming Flanagan (GUE/NGL)

As in previous years, the Committee on Budgetary Control decided to draw up a report on the Protection of the Union's financial interests. Commissioner Oettinger presented the annual report of the Commission on 27 September.

In his report, Mr Marinescu puts stress on the fact that in 2017, a total of 15 213 fraudulent and non-fraudulent irregularities were reported to the Commission, 20.8% fewer than in 2016. They involved approximatively EUR 2.58 billion, 8.6% down from previous year. He expresses his concern that intra-Community VAT fraud cases cost the Union EUR 50 billion annually and notes the uneven distribution of irregularities linked to traditional own resources (TOR) among Member States, with Greece (7.17%), Spain (4.31%) and Hungary (3.35%) clearly above the EU average of 1.96% of the total TOR non-collected. The Rapporteur also notes with dismay that the average recovery rate for years 1989-2017 for cases reported as fraudulent is only 37%. He takes note that a significant amount of public investment is spent through public procurement (€2 trillion per year) and emphasises the benefits of e-procurement in fighting fraud.

Mr Marinescu invites the Commission to continue its efforts in standardising the nomenclature of errors linked to expenditure and notes with concern that according to OLAF estimates, the illicit trade in cigarettes causes annual financial losses of over EUR 10 billion in the budgets of the Union and Member States.

There were 107 amendments received by the deadline of 28 November. They enlarge the text of the report by adding additional paragraphs on: fight against fraud, investigative journalism and the Taricco case (C-42/17). The Rapporteur proposes 10 compromise amendments which merge similar amendments in order to preserve their content. The draft report and the amendment are available in all languages on the [CONT website](#).

7. ESTABLISHMENT OF THE EUROPEAN MONETARY FUND

CONT/8/13886 - [2017/0333R\(APP\)](#)



Adoption of draft opinion to ECON

Rapporteur: [Cătălin Sorin Ivan](#) (NI)

Administrator: Olivier Sautière

Shadow Rapporteurs: Brian Hayes (EPP), Inés Ayala Sender (S&D), Ryszard Czarnecki (ECR), Wolf Klinz (ALDE), Miguel Viegas (GUE/NGL)

On 1 March 2017, the European Commission presented a White Paper on the Future of Europe, followed by several reflection papers in the different domains of European

policy-making. This draft opinion concerns the third Reflection Paper entitled '[Deepening of the Economic and Monetary Union](#)'.

On 6 December 2017, the Commission set out a roadmap for deepening EMU, including a [proposal for a Council Regulation to create an EMF](#) anchored in the Union legal framework. The tasks and the financial means of the ESM (European Stability Mechanism) would be transferred to the EMF, and other tasks could be added at a later stage.

The Rapporteur in his draft opinion welcomes the new set of measures proposed by the Commission to complete the Economic and Monetary Union (EMU) in line with Parliament's longstanding position on the integration of the ESM into the EU legal framework while also considering the use of the Community method in this proposal to be a strong driver for reinforcing the democratic legitimacy and to design a robust accountability framework with enhanced parliamentary oversight.

The Rapporteur also considers that, with regard to the public dimension and impact of the future EMF, assurance should be provided by public auditors, with the European Court of Auditors being given a clear role in the discharge procedure of the EMF in accordance with Article 287 of the TFEU. Mr Ivan, therefore, asks the Commission to include a clear provision that the European Court of Auditors is the external auditor of the EMF, with an explicit definition of its rights.

The deadline for tabling amendments was on 21 November when 14 amendments were tabled. The draft report and the amendments are available in all languages on the [CONT website](#).

8. CLOSURE OF THE ACCOUNTS FOR EUROPEAN ASYLUM SUPPORT OFFICE (EASO) FOR THE FINANCIAL YEAR 2016

CONT/8/14983



Adoption of the motion for decision

CONT Rapporteur: [Bart Staes](#) (Greens/EFA)

Administrator: Cécile Bourgault

Shadow Rapporteurs: Petri Sarvamaa (EPP), Bogusław Liberadzki (S&D), Ryszard Czarnecki (ECR), Nedzhmi Ali (ALDE), Dennis de Jong (GUE/GNL), Marco Valli (EFDD), Barbara Kappel (ENF)

On 24 October 2018, the EP refused to grant the Executive Director of the European Asylum Support Office discharge for the financial year 2016.

Following such refusal, the EP's Rules of Procedure foresee that "a formal proposal to close the accounts for the year in question shall be submitted at a subsequent part-session" (Annex IV, Article 5 (2) (a)).

The Rapporteur tabled a motion for decision to close the accounts of EASO. The motion for decision has been circulated to Members on 13 November and is published on the [CONT website](#).

*** END OF ELECTRONIC VOTING ***

THURSDAY, 13 DECEMBER 2018

11.15 - 11.45

PUBLIC MEETING

9. ECA OPINION N°8/2018 ON THE COMMISSION'S PROPOSAL ON AMENDING OLAF REGULATION 883/2013 AS REGARDS COOPERATION WITH THE EUROPEAN PUBLIC PROSECUTOR'S OFFICE AND THE EFFECTIVENESS OF OLAF INVESTIGATIONS

CONT/8/15076

Presentation of the opinion by ECA Member responsible, *Eva Lindström*



Rapporteur: [Ingeborg Gräßble](#) (EPP)
Administrator: Christian Ehlers

In May 2018, the Commission adopted a proposal regarding the European-Anti-Fraud office's (OLAF) cooperation with the European Public Prosecutor's Office (EPPO) and the effectiveness of OLAF investigations. The overall objective of the proposal is to strengthen the protection of the Union's financial interests. This will be achieved by three specific objectives: to adapt the operation of OLAF to the establishment of the EPPO, to enhance the effectiveness of OLAF's investigative function; to clarify and simplify selected provisions of Regulation No 883/2013

The work of the European Court of Auditors and the Commission's own evaluation have shown that OLAF needs to increase the effectiveness of its investigations; timeliness and the recovery of funds are major challenges.

The Court recommended that the legislator should

- Clarify that in cases when OLAF carries out administrative investigations on behalf of the EPPO, the standards of procedural guarantees foreseen in the EPPO Regulation apply and that the CJEU will remain competent to review OLAF's procedural acts in this context;
- Specify the kind of information the Commission and OLAF need to receive from EPPO in order to properly fulfil their task of developing EU policies to counter fraud;
- Ensure that when OLAF works on behalf of the EPPO, and it gathers sufficient evidence to prove an irregularity, OLAF forwards the information gathered without undue delay to the institutions, bodies, offices and agencies to ensure the swift recovery of funds, unless the EPPO considers that the information would interfere with its investigation;
- Expressly specify the status in national and EU courts of evidence collected by OLAF, and include an obligation for OLAF to forward all evidence supporting its final reports and recommendations to the bodies responsible for follow-up;
- Provide more clarity on the minimum functions to be fulfilled by AFCOS, in particular as regards their role in coordinating Member States' anti-fraud action in relation to the EU's financial interests;
- Provide that OLAF's reports constitute acts that might "adversely affect the persons concerned" and are therefore submitted to a review of the European Court of Justice;
- Clarify OLAF's role in cases involving EPPO-participating and non-participating Member States, taking into account any forthcoming legal instrument covering the subject of judicial cooperation between EPPO-participating and nonparticipating Member States.

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

10. ANY OTHER BUSINESS

11. NEXT MEETINGS

- 7 January 2019, 15.00 – 18.30 (Brussels)
- 21 January 2019, 15.00 – 18.30 (Brussels)
- 22 January 2019, 9.00 - 12.30 and 14.30 – 18.30 (Brussels)

PAPERLESS PROGRAMME (INTERNAL USERS ONLY)

Access CONT committee meeting documents on [eMeeting](#) or any CONT committee information on [eCommittee](#)

FOR FURTHER INFORMATION

Contact the [CONT Secretariat](#) or visit the [website](#) of the CONT committee

NEWS FROM POLICY DEPARTMENT - BUDGETARY AFFAIRS

FORTHCOMING EVENTS

CONT

Workshop on "EU Member States declaration" - 2019

POLICY DEPARTMENT PUBLICATIONS

Recent publications

CONT

Study "[Ensuring high quality job creation from EU funding programmes: how can the best practice of Horizon 2020 be better integrated into other programmes \(ESF, Youth Guarantee, Globalisation Fund\)?](#)"

In-Depth Analysis "[The effectiveness and visibility of EU funding in the Western Balkan countries with a special focus on the cross-border cooperation](#)"

Proceedings of the Workshop on "[The revision of OLAF Regulation in light of the future cooperation with EPPO](#)"

Proceedings of the Workshop on "[How to better combat fraud? Follow up of the Commission's anticorruption sharing programme](#)"

Study "[Ex Ante Conditionality in ESI funds state of play and their potential impact on the Financial Implementation of the Funds](#)"

BUDG

In-Depth Analysis "[The EU spending on fight against climate change](#)"

Study "[EU funds for migration, asylum and integration policies](#)"

Study "[Potential revenue from the extension of charging fees by EU Agencies](#)"

Study "[Financial Implementation of European Structural and Investment Funds](#)"

Forthcoming publications

CONT

Study "Good examples of aligning the budget with the 'performance based budgeting' principles in 3 most progressive Member States" - 2019

Study "Transparency of funding for NGOs financed from the EU Budget (update)" - January 2019

Study "Key performance indicators for convergence in regional development - how reliable are they to ensure targeted and result-oriented spending?" - March 2019

CONTACTS

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