

### MEETING

**MONDAY 26 JANUARY 2015**

15.00 - 18.30 public meeting

**TUESDAY 27 JANUARY 2015**

9.00 – 12.30 and 15.00 - 18.30 public meeting

Altiero Spinelli 3G3

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eMeeting

### 1. AGENDA

The [draft agenda](#) (in EN) was emailed to Members on 15 January 2015 and is in the [file for this meeting](#).

### 2. CHAIR'S ANNOUNCEMENTS

The Chairman draws attention to the following points:

#### LANGUAGES AVAILABLE

FR, DE, IT, NL, EN, DA, ES, FI, CS, HU, LT, PL, SK, SL, BG, RO

**Meeting documents:** In light of the European Parliament's paperless project please bear in mind that only a very limited number of paper dossiers will be available in the meeting room.

### WEBSTREAMING

The CONT meeting is webstreamed on the [Europarl web-site](#). Please be aware that each time a speaker activates the microphone to make an intervention, the camera will be automatically directed to the speaker.

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### Voting cards

The electronic voting system will be used for the vote scheduled during this meeting and Members are reminded to bring their electronic voting card.

**MONDAY 26 JANUARY 2015**

15.00 – 18.30 public meeting

Rapporteur:

[Ryszard Czarnecki](#) (ECR)

Administrator:

Olivier Sautière

**Exchange of views with the High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, in the presence of the Members of the European Court of Auditors responsible, Baudilio Tomé Muguruza and Szabolcs Fazakas**

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**CONT Timetable:**

**Consideration of draft report on 2013 EEAS**

**Discharge:** 24/02/2015

**Deadline for amendments:** 03/03/2015

**Adoption in CONT:** 24/03/2015

**Plenary vote:** April II 2015

### **3. DISCHARGE 2013: EU GENERAL BUDGET - EUROPEAN EXTERNAL ACTION SERVICE**



The European External Action Service (EEAS) is a functionally autonomous body of the European Union, separate from the General Secretariat of the Council and from the Commission. It is treated as an institution for the purposes of the Financial Regulation (FR) and therefore

subject to the procedure of discharge provided for in Article 319 of the TFEU and in Article 168 of the FR.

It is placed under the authority of the High Representative (HR) of the Union for Foreign Affairs and Security Policy, Federica Mogherini, who has been invited to the CONT meeting for an exchange of views with Members on the implementation of the EEAS budget during the financial year 2013.

In accordance with the timetable for the discharge procedure, the written questions addressed to the EEAS were sent on 25 November 2014. The answers received from the EEAS were e-mailed to the CONT Members on 22 December 2014.

According to the findings of the ECA, the most likely error rate was 1%.

Areas for improvement concern (i) the assurance that staff documents are regularly provided and (ii) the design and conduct of procurement procedures with a need for increased support to the EU delegations.

The examined control systems are assessed as being effective.

It is proposed that today's hearing shall proceed as follows:

- Introduction by the Member of the European Court of Auditors, Mr Baudilio Tomé Muguruza, who will present the findings of the ECA Annual Report 2013,
- High Representative/Vice President, Federica Mogherini, will briefly reply to this introduction,
- The CONT Rapporteur, Ryszard Czarnecki, and other Members will question the HR/VP and/or the Court,
- Closing remarks by the CONT Rapporteur.

Rapporteur:  
[Gilles Pargneaux](#) (S&D)

Administrator:  
Mauro de Oliveira

**Exchange of views with the Vice-Presidents of the European Parliament with primary responsibility of the budget, David-Maria Sassoli and Rainer Wieland, the Secretary-General, Klaus Welle and the Internal Auditor of the European Parliament, Robert Galvin, in the presence of the Member of the European Court of Auditors responsible, Baudilio Tomé Muguruza**



### *Relevant documents*

Members will find the relevant documents for the European Parliament discharge such as the report on budgetary and financial management, the annual accounts of the political groups, the report on compliance with payment time limits, the report on contracts awarded, Director-Generals' Annual Activity Reports and the replies and

follow-up to last year's discharge resolution on the CONT 2013 budget discharge [website](#).

### *Written questions*

Following the established procedure for the adoption of the EP discharge questionnaire, Members were asked to submit questions related to the 2013 budget implementation to their Coordinators by 31 October 2014. The Rapporteur together with the Shadow Rapporteurs consolidated and finalised the questionnaire and submitted it to the Secretary-General on 28 November 2014.

The Secretary-General's written replies were sent by email to Members on 21 January 2014.

### *Structure of the hearing*

It is proposed that the discussion will take the following structure:

- statement by the Court of Auditors,
- short presentation by the Vice-President(s), responsible for budgetary affairs,
- brief presentation by the Secretary-General of the

### **CONT Timetable:**

**Consideration of draft report on 2013 European Parliament Discharge:** 24/02/2015

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**Plenary vote:** April II 2015

- answers to the written questions mentioned,
- presentation by the Internal Auditor of the European Parliament of his 2013 annual report,
- statement and oral questions by the Rapporteur,
- Q&A session with other Members,
- closing remarks by the Rapporteur.

**TUESDAY 27 JANUARY 2015**

9.00 - 12.30 public meeting

**\*\*\* VOTING TIME \*\*\***

Rapporteur for the opinion:  
[Tamás Deutsch](#) (EPP)

Administrator:  
Philippe Godts

**Adoption of draft opinion**  
**Main committee: BUDG**

### **CONT Timetable:**

**Deadline for amendments:** 13/01/2015

**Adoption in CONT:** 27/01/2015

**Adoption in BUDG:** 05/02/2015

## **5. FINANCIAL RULES APPLICABLE TO THE GENERAL BUDGET OF THE UNION**



In the draft opinion the Rapporteur tabled 14 amendments aimed at including in particular "tax evasion" as an exclusion ground in public procurement procedures, to further define the composition and the principle action of the panel, to find the best balance possible between the financial rules (FR) and its rules of application (RAP) in particular as regards the rights of defence, to

introduce in the FR new provisions corresponding to the political agreement regarding the principle of a separate discharge for the Joint Undertakings, to make the ECA audit activity more efficient, to provide more transparency in the IAS activity and to be more precise as regards the Council discharge.

42 amendments were received by the deadline of 13 January 2015.

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

The voting list will be circulated to the CONT Members as soon as available.

**\*\*\* END OF VOTING TIME \*\*\***

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

Administrator:  
Philippe Godts

**Exchange of views with the Secretary-General of the European Commission, Catherine Day, in the presence of the Members of the European Court of Auditors responsible, Baudilio Tomé Muguruza and Henrik Otbo**

**CONT Timetable:**  
**Consideration of draft report on 2013 Commission Discharge:** 23/02/2015

**Deadline for amendments:** 03/03/2015

**Adoption in CONT:** 23/03/2015

**Plenary vote:** April II 2015

Rapporteur:  
[Tamás Deutsch](#) (EPP)

Administrator:  
Michał Czaplicki

**Exchange of views and consideration of a working document, in the presence of the Member of the European Court of Auditors responsible, Szabolcs Fazakas**

### 6. DISCHARGE 2013: EU GENERAL BUDGET - EUROPEAN COMMISSION



The documents of particular relevance for the exchange of views as regards the 2013 Commission discharge are:

- The ECA's 2013 Annual Report - Chapters 1, 2 and 10.
- The Commission's follow-up report COM (2014)607 final and SWD (2014) 285 and 286.
- The Annual Activity Report of DG BUDG.

These documents are available on the [CONT website](#).

For this meeting Members submitted 24 written questions. In accordance with the timetable for the discharge procedure, the written questions were sent to the Commission on 14 January 2014 and e-mailed to Members on the same day. The answers from the Commission should arrive on 22 January 2015 and will be emailed to Members immediately.

It is proposed that today's hearing with the Commission Secretary General shall proceed as follows:

- Introduction by the Member of the European Court of Auditors, who will present the findings of the respective chapters of the Annual Report 2013,
- The Commission Secretary General in charge will reply to this introduction,
- CONT Rapporteur will put questions to the Commissioner and the Court.

### 7. SPECIAL REPORT 19/2014 (2013 DISCHARGE): EU PRE-ACCESSION ASSISTANCE TO SERBIA



Serbia began its route towards EU membership in 2000 and is considered a pre-accession country. Over the period 2007-13 the EU provided 1.2 billion euro assistance to Serbia. The EU's funds were aimed at strengthening the Serbian administrative capacity and supporting the adoption and implementation of the acquis



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**CONT Timetable:**

**Consideration of draft report on 2013 Commission Discharge - Part II - ECA Special Reports:** 23/02/2015

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communautaire. The objective of the audit was to assess whether the Commission is managing this support effectively.

EU auditors found that overall the Commission is managing pre-accession support to Serbia, including the Instrument for Pre-accession Assistance (IPA) projects, effectively. Programming of the IPA financial assistance is based on a coherent strategic framework and the approach to selecting projects relevant to preparing Serbia for accession is gradually improving. On the whole, the audited projects delivered their planned outputs but suffered from weaknesses regarding their design, implementation and sustainability. The Commission was effective in managing non-financial assistance to Serbia in the area of governance. It used its dialogue with Serbia effectively in addressing governance issues and the fight against corruption. It gradually improved its approach to take these issues on board in policy formulation and project design.

In light of its findings, the ECA recommended that in order to improve the programming, design and implementation of the IPA, the Commission should make the project prioritisation and selection process more transparent and more systematically documented, reflecting the individual stages of reasoned project prioritisation and reinforce the principle of conditionality. In relation to its structured dialogue with Serbia on governance issues and to the decentralised implementation system (DIS) process, the Commission should express the need for the Serbian authorities to further rationalise their set of national strategies and finalise a fully-fledged public finance management (PFM) roadmap, and if necessary provide technical support in that respect.

The Rapporteur invites the Serbian authorities to improve the quality of their national strategies and action plans. If necessary, the Commission should make itself available to provide the required technical support in this regard. He urges the Commission and the EU Delegation in Serbia to prevent the problems which occurred in the first part of the 2007–13 programming period, namely the selection of immature or problematic projects. Mr Deutsch welcomes the fact that governance related projects generally achieved good results, but considers the implementation and control systems of the projects weak or inefficient especially where the Court identified material shortcomings in four out of the eight audited governance related IPA projects.

The Rapporteur's working document (EN) is available on the [CONT website](#).

The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2013.

Amendments may be tabled in this context and the deadline will be the same as the Commission's discharge: 3 March 2015.

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

Administrator:  
Philippe Godts

**Exchange of views and consideration of a working document, in the presence of the Member of the European Court of Auditors responsible, Kevin Cardiff**

### **8. SPECIAL REPORT No 4/2014 (2013 DISCHARGE) "INTEGRATION OF EU WATER POLICY OBJECTIVES WITH THE CAP: A PARTIAL SUCCESS"**



The overall audit question addressed by the European Court of Auditors was: Have the EU's water policy objectives been successfully integrated into the Common Agricultural Policy?

The audit examined in particular whether the EU's water policy objectives were properly and effectively reflected in the CAP, both at strategy and

implementation levels.

This was done through an analysis of two instruments which are being used to integrate the EU's water policy objectives into the CAP: cross-compliance and the rural development fund.

The Court concludes that the Commission and the Member States have only been partially successful in integrating the EU's water policy objectives into the CAP. This is due to a mismatch between ambitious policy objectives and the ability of the instruments used to effect change.

The audit highlights weaknesses both in the design and application of cross-compliance and in the use of rural development funding and points out delays and weaknesses in the implementation of the water framework directive.

The Rapporteur insists on the fact that water policy is essential for long term well-being across the EU and must be a key element within EU sustainable development. A comprehensive and consistent approach is essential under the CAP to ensure full respect in the implementation of the Water Framework Directive (WFD) at all levels, from river basin to farm. Partial replies have already been given by the Commission but high standards of evaluating and monitoring are required in the new funding period 2014-2020, with the adoption and use of better analytical tools where these are needed.

#### **CONT Timetable:**

**Consideration of draft report on 2013 Commission Discharge - Part II - ECA Special Reports:** 23/02/2015

**Deadline for amendments:** 03/03/2015

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The Commission has to play its mission of guardian of the Treaty in terms of the relevant legislation including the WFD and the Nitrates Directive.

The Rapporteur endorses the main recommendations issued by the Court and stresses in particular, that:

- at policy level, the Commission should propose to the EU legislator the necessary modifications to the current instruments (cross compliance and rural development) to ensure compliance with the WFD or, where appropriate, the introduction of new instruments capable of meeting the more ambitious goals with respect to the integration of water policy objectives into the CAP.
- the Member States should in compliance with the WFD:
  - address the weaknesses identified by the audit in their performance of cross compliance checks;
  - impose systematically the appropriate penalties in cases of infringement;
  - put more emphasis on identifying and addressing water-related problems through their Rural Development Programmes (RDP's) and ensuring they are consistent with their River Basin Management Plans (RBMP's);
  - devise and rigorously implement safeguard mechanisms to avoid negative side-effects on water activities financed by rural development;
  - more actively consider and promote the use of the funds earmarked for water-related issues in a way that is consistent with sound financial management.

The Rapporteur's working document (EN) is available on the [CONT website](#).

The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2013. Amendments may be tabled in this context and the deadline will be the same as the Commission's discharge: 3 March 2015.



**TUESDAY 27 JANUARY 2015**

15.00 – 18.30 public meeting

Rapporteur:  
[Ryszard Czarnecki](#) (ECR)

### 9. 2013 DISCHARGE TO AGENCIES

Administrator:  
Hrvoje Svetic

#### Exchange of views with the Representatives of the following Agencies:

- European Railway Agency (ERA),
- European Foundation for the Improvement of Living & Working Conditions (EUROFOUND),
- European Agency for the Management of Operational Cooperation at the external Borders of the Member States of the European Union (FRONTEX),
- European Institute of Innovation and Technology (EIT),
- The Office of the Body of European Regulators for Electronic Communications (BEREC Office),
- European Securities and Markets Authority (ESMA),
- European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (EU-LISA),

in the presence of the Member of the European Court of Auditors responsible, Louis Galea, and the Director of the European Union Agency for Fundamental Rights (FRA), currently responsible for the coordination of the Agencies' network.



The number of decentralized agencies which are subject to discharge has constantly grown over the last number of years and is now 32. The Rapporteur has selected eight agencies to be invited to the hearing:

- European Union Agency for Fundamental Rights (FRA)
- European Railway Agency (ERA)
- European Foundation for the Improvement of Living & Working Conditions (EUROFOUND)
- European Agency for the Management of Operational Cooperation at the external Borders of the Member States of the European Union (FRONTEX)
- European Institute of Innovation and Technology (EIT)
- The Office of the Body of European Regulators for Electronic Communications (BEREC Office)
- European Securities and Markets Authority (ESMA)
- European Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (EU-LISA)

Other agency representatives are also welcome to attend the hearing if they so wish.

**CONT Timetable:**  
**Consideration of draft report on 2013 Agencies Discharge:** 24/02/2015

The written questions by the Rapporteur, the Shadow Rapporteurs and other Members, addressed to the agencies network as well as to the individual agencies, were submitted to the agencies on 4 December 2014.

**Deadline for amendments:** 03/03/2015

The deadline for replies was set for 9 January 2015 and they

**Adoption in CONT:** 24/03/2015

**Plenary vote:** April II 2015

were sent to the CONT Members on 15 January 2015.

It is proposed that the hearing shall proceed as follows:

- Introduction by the Members of the European Court of Auditors Louis Galea, who will present the findings of the respective Annual Reports 2013,
- European Union Agency for Fundamental Rights (FRA), Morten Kjærum, will reply to this introduction on behalf of the agencies' network,
- The CONT Rapporteur, Ryszard Czarnecki, will put questions to the agencies' network, individual agencies and the Court,
- Shadow Rapporteurs and other Members will question the agencies' network, individual agencies and the Court, and
- Closing remarks by the CONT Rapporteur.

Co-Rapporteurs:

[Ryszard Czarnecki](#) (ECR)

[Anders Primdahl Vistisen](#) (ECR)

Administrator:

Hrvoje Svetic

**Exchange of views in the presence of the Member of the European Court of Auditors responsible, Louis Galea, with the Representatives of the following Joint Undertakings:**

- ITER Joint Undertaking,
- Innovative Medicines Initiative Joint Undertaking (IMI),
- ARTEMIS Joint Undertaking,
- ENIAC Joint Undertaking

## 10. 2013 DISCHARGE TO THE JOINT UNDERTAKINGS



Ryszard Czarnecki  
Co-rapporteur



Anders Primdahl Vistisen  
Co-rapporteur

In accordance with the Treaty of Lisbon, the Union may set up Joint Undertakings or any other structure necessary for the efficient execution of Union research, technological development and demonstration programmes (Article 187 TFEU (ex-Article 171 TEC)).

Seven Joint Undertakings, including five Joint Technology Initiatives, form a major new element of the EU's 7th Research Framework Programme, and are subject to the 2013 discharge procedure.

The Rapporteurs' proposal is that, at this stage, the discussion in CONT should focus on four Joint Undertakings: ARTEMIS, ENIAC, IMI and ITER. For this reason, the representatives of these Joint Undertakings were invited to this meeting.

### **CONT Timetable:**

**Consideration of draft report on 2013 Agencies**

**Discharge:** 24/02/2015

**Deadline for amendments:** 03/03/2015

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On the procedure:

First, the European Court of Auditors' representative, Mr Louis Galea, will be invited to present the main findings of the Court's reports on the annual accounts of the respective Joint Undertakings. The Court of Auditors issued a qualified opinion for the four invited Joint Undertakings. Furthermore, during the year 2014, Artemis and ENIAC Joint Undertakings have merged and formed the ECSEL Joint Technology Initiative.

The Directors of ARTEMIS, ENIAC, IMI and ITER will then be called on to give a brief presentation, not exceeding 5 minutes, and answer questions from the Rapporteurs and other Members.

The Court of Auditors may be invited to answer questions where relevant.

The Court of Auditors' reports and other relevant information (including Annual Activity Reports by the Joint Undertakings, final financial statements etc.) can be found on the [CONT website](#).

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

Administrator:  
Michal Czaplicki

- **Joint presentation CONT/TRAN co-chaired by Ingeborg Gräßle and Michael Cramer, in the presence of the Member of the European Court of Auditors responsible, George Pufan**
- **Consideration of a working document**

### 11. SPECIAL REPORT 21/2014 (2013 DISCHARGE): EU-FUNDED AIRPORT INFRASTRUCTURES



The EU has spent over 4.5 billion euro on air transport related investments in the years 2000-2013 via the European Regional Development Fund (ERDF), the Cohesion Fund and the TEN-T programmes, of which 2.8 billion was directly spent on airport infrastructure. 75% of this sum was funnelled to four Member States: Spain (24%), Poland (21%), Italy (17%) and Greece (13%). The Court decided to audit 20 airports in the four above-mentioned countries and randomly chose Estonia as the fifth audited Member State.

The ECA unveiled that the EU-funded investments in airports produced poor value for money: too many airports (which were often in close proximity to each other) were funded and in many cases the EU-funded infrastructures were oversized. The investments did not always lead to anticipated results: actual passenger numbers fell significantly short of initial forecasts and only 10 out of 20 airports succeeded in increasing their passenger numbers between 2007 and 2013.

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**Consideration of draft report on 2013 Commission Discharge - Part II - ECA Special Reports:** 23/02/2015

**Deadline for amendments:** 03/03/2015



**Adoption in CONT:** 23/03/2015

**Plenary vote:** April II 2015

In its report, the ECA recommended that the Commission should ensure during the 2014-2020 programme period that Member States only allocate EU funding to airport infrastructures which are financially viable and for which investment needs had been properly assessed and demonstrated. This should be part of the approval and monitoring of Operational Programmes carried out by the Commission. The Member States should have coherent regional, national or supranational plans for airport development to avoid overcapacity, duplication and un-coordinated investments in airport infrastructures.

The Rapporteur supports the Court's recommendation that Member States have coherent plans for airport development and recommends that these plans be approved by the Commission before any funding for specific projects is granted. He recommends that these plans should take into account, not only air transport, but other public transport methods with similar travel times as to flight times, including trains and buses, in order to avoid market saturation and increase service viability. Additionally, the Rapporteur believes that funding should be granted primarily to financially viable airports; however he agrees that some regional airports must be maintained for communication purposes for regions or communities, or for public authorities. In these instances, such special cases may be approved by the Commission where an appropriate business plan is presented as part of a broader financially viable national strategy.

The Rapporteur's working document (EN) is available on the [CONT website](#).

The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2013. Amendments may be tabled in this context and the deadline will be the same as the Commission's discharge: 3 March 2015.



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### **NEXT MEETINGS (BRUSSELS)**

- **23 February 2015, 15.00 – 18.30 and**
- **24 February 2015, 9.00 – 12.30 and 15.00 – 18.30**