



## ISSUE N°15

### MEETING OF THURSDAY 15 OCTOBER 2015

9.00 – 12.30 and 15.00 - 18.30 public meeting

Room: Paul-Henri Spaak 1A002

## 1. AGENDA

The [draft agenda](#) (in EN) was emailed to Members on 30 September 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

### Webstreaming

The CONT meeting is web streamed 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.

### Staff changes in CONT Secretariat

Donella Boldi and Martina Stolarikova left CONT Secretariat and Olga Navarro joined us. We wish them success in their new assignment.

### Guardia di Finanza - Italian delegation

CONT will receive a delegation of the Italian "Guardia di Finanza" from Cagliari, Sardinia. We welcome them here in the Parliament's premises and thank them for their dedication and commitment in law enforcement.

## THURSDAY 15 OCTOBER 2015

9.00 - 12.30 Public meeting



### 3. ECA SPECIAL REPORT NO 10/2015 (2014 DISCHARGE): EFFORTS TO ADDRESS PROBLEMS WITH PUBLIC PROCUREMENT IN EU COHESION EXPENDITURE SHOULD BE INTENSIFIED

**Presentation of the Special Report by the Member of the European Court of Auditors responsible, Phil Wynn Owen, and consideration of a working document**



Rapporteur: [Zigmantas Balčytis](#) (S&D)

Administrator: Mauro de Oliveira

According to the Europe 2020 strategy EU public procurement policy is a key instrument in establishing the single market and in achieving smart, sustainable and inclusive growth.

EU public procurement rules aim to ensure that the principles and fundamental freedoms in the Treaty on the Functioning of the European Union (TFEU) are observed.

The Court examined the consistently high level of errors concerning public procurement in EU spending within the cohesion policy area. In particular, the report investigates whether the Commission and the Member States are taking appropriate and effective actions to address the problem.

The Rapporteur, Zigmantas Balčytis, welcomes the findings of the Court of Auditors and underlines the following:

- Notes that with a total of 349 billion euros allocations between 2007-2013, the cohesion policy is the key policy to reducing economic and social disparities between regions in Europe; highlights therefore the importance of proper public procurement processes when it is the procurement process that is identified by the Court as a major source of the errors within EU cohesion expenditure;
- Emphasises that 40% of the projects implemented between 2007-2013 contained errors in public procurement procedures; unjustified direct awards, misapplication of selection criteria and bias treatment to select tenders were the main errors;
- Notes that the main sources of errors were the lack of administrative capacity, the incorrect transposition of EU directives by Member States, inconsistent interpretation of legislation and insufficient planning;
- Draws attention to the fact that complexity of the legal and administrative public procurement framework is viewed as one of the causes of errors; notes that 90 % of 69 audit authorities claimed that the current level of complexity is higher than it needs to be; nearly 50% pointed out that the main area for improvement of public procurement practice could be simplification of the procedures;
- Calls therefore on the Member States to avoid rules that go beyond the EU directives; believes that this would also encourage and facilitate the participation of SME in public procurement procedures;
- Notes that the main finding of the Court was that there is an insufficient effort made by the Commission and Member States to conduct regular and systematic analysis of public procurement and that the lack of coherent, detailed data made it impossible to analyse, address and prevent these errors;
- Shares the Court's view that the Commission should develop a database to analyse the frequency, seriousness and causes of public procurement errors; Commission should ensure that it obtains consistent and reliable information from the Member States on irregularities;
- Welcomes the proactive approach undertaken by the Commission for 2014-2020 programming period which aims to support through guidance, monitoring and technical assistance national action plans to be implemented until 2016; acknowledges that with this proactive approach the Commission intends to reduce the risk of possible suspension of payments to operational programs after 2016;



- Expects the Commission to suspend payments and impose financial corrections on those Member States which failed to achieve these targets, only as a last resort, should all the other means of prevention, correction and assistance being exhausted already
- Welcomes the fact that the Commission has addressed the problems of public procurement errors in the area of Cohesion Policy which were evident since long but now in a more coordinated way under the umbrella of the public procurement action plan and calls in this context on the Commission to push forward the implementation of this plan and report on its progress annually;
- Expects the Commission to set up a high level group to provide leadership in tackling the problem of public procurement and promote its simplification;
- Encourages the Commission and Member States to exploit the opportunities provided by e-procurement which has a high potential for improving transparency and a broader access to tenders also for SME and for preventing irregularities and fraud;
- Encourages the Commission and Member States to continue their efforts in the field of exchange of experience and best practice;
- Welcome the initiative ARACHNE and calls on all Member States to encode comprehensive and good-quality data that this programme could work properly.

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

The Rapporteur's conclusions will form part of the Commission's discharge report for the financial year 2014. Amendments may be tabled in this context and the deadline will be the same as the Commission's discharge: 4 March 2016.

## 4. TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY IN THE EU INSTITUTIONS

### Consideration of draft opinion



Rapporteur for the opinion: [Tamás Deutsch](#) (EPP)  
Administrator: Olivier Sautière  
Main committee: AFCO

In his draft opinion, the Rapporteur Mr Deutsch calls for an overall improvement in the prevention of, and the fight against, corruption in the public sector through better public access to documents and more stringent rules on conflicts of interest and transparency registers, with a view to developing a coherent global approach to these issues.

Similarly, he highlights both the need to develop a common and effective culture of integrity for all EU institutions and agencies based on improved ethical framework and also considers necessary to define clear cooling-off periods for post-EU employment or for situations whereby civil servants move from the public to the private sector.

As for transparency of lobbying activities, the Rapporteur considers that further steps need to be taken to tackle ethical issues relating to the political role of lobbies, their practices and their influence.

Finally, the Rapporteur requests the Commission to deepen its analysis of the corruption mechanisms in its biennial report while continuing the development of effective responses to this complex phenomenon.



The draft opinion is available on [eMeeting website](#).

Event	Body	Date
Deadline for amendments	CONT	28/10/2015
Adoption of the opinion	CONT	01/12/2015

## 5. FOLLOW-UP OF THE 2013 DISCHARGE TO THE EUROPEAN PARLIAMENT

CONT/8/04552

### Exchange of views with the Secretary General of the European Parliament, Klaus Welle



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

Administrator: Mauro de Oliveira

In accordance with the resolution of 29 April 2015 accompanying the decision on discharge for the financial year 2013, the Secretary General will briefly summarise the replies and follow-up of the EP administration to the various questions and requests of the 2013 EP discharge resolution before proceeding to an exchange of views.

The Secretary General's written replies have been made available prior to the Committee meeting. They were sent to Members by email on 9 October 2015 and have also been published on the Committee website. It is proposed that the discussion is structured following this order of interventions:

- brief presentation by the Secretary General of the replies and follow up of the administration,
- statement and oral questions by the Rapporteur,
- reply by the Secretary General to the Rapporteur,
- questions by other Members,
- replies by the Secretary General and closing remarks by the Rapporteur.

## 6. EUROPEAN INVESTMENT BANK (EIB) - ANNUAL REPORT 2014

### Presentation of the EIB annual report for 2014 by Werner Hoyer, President and exchange of views



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

Administrator: Olivier Sautière

Mr Werner Hoyer has been invited to this CONT meeting to present the 2014 Annual Report of the EIB and to have an exchange of views with CONT Members.

The exchange of views will enable a thorough discussion on EIB activities and prospects, at a time when the difficult economic and social circumstances combined with budgetary constraints across EU Member States make it a major European actor.



In this context, the EIB is a catalyst and driving force for the restoration of the economic growth and to help the real economy, through (i) the funding of numerous initiatives dedicated to inter alia youth employment, SMEs, access to finance and lending capacities, sustainable growth patterns inside and outside the EU and (ii) the implementation of the new European Fund for Strategic Investment.

This exchange of views will also launch the drafting process of the report 'EIB Annual Report 2014' for which Mr Pirinski is the Rapporteur.

In accordance with an agreement concluded with ECON in 2007, this year it is CONT's turn to draft an own-initiative report on the annual report and the financial activities of the EIB. All language versions of the EIB reports are available on the EIB website:

<http://www.eib.org/infocentre/publications/all/activity-report-2014.htm>

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### THURSDAY 15 OCTOBER 2015

15.00 - 15.30 Coordinators' meeting in camera

#### **7. EXCHANGE OF VIEWS "IN CAMERA" WITH WALTER DEFFAA, DIRECTOR-GENERAL OF DG REGIONAL POLICY OF THE COMMISSION, IN THE CONTEXT OF "ALTUS CASE" IN HUNGARY**

CONT Coordinators will hold an "in camera" exchange of views with D.G. Walter Deffaa.

### THURSDAY 15 OCTOBER 2015

15.30 - 18.30 Public meeting



### 8. DISCHARGE 2014: EU GENERAL BUDGET - EUROPEAN COMMISSION

**Exchange of views on reservations raised by the Commission in the 2014 Annual Activity Reports Directorates General REGIO, EMPL, AGRI, R&D, DEVCO and HR:**

- **Walter Deffaa, Director General of the DG for Regional and Urban policy,**
- **Michel Servoz, Director General of the DG Employment, Social Affairs and Inclusion,**
- **Jerzy Plewa, Director General of the DG Agriculture and Rural Development,**
- **Robert-Jan Smits, Director General of the DG for Research and Innovation,**
- **Fernando Frutuoso de Melo, Director General of the DG International Development and cooperation,**
- **Irene Souka, Director General of the DG Human Resources and Security, accompanied by Kari Kivinen, Secretary-General of the European Schools**



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

Administrator: Philippe Godts

In its resolution accompanying the Commission discharge for 2013, the Parliament could not politically ensure that the management and control systems put in place in the Commission and the Member States give the necessary guarantees concerning the legality and regularity of all the underlying transactions.

This situation was also reflected in the reservations adopted by several Directors-Generals of the Commission.

In their annual activity reports for 2014, the Directors-General who are Authorising Officers by Delegation identified the main reasons for their reservations and set out remedial actions to address them.

As mentioned in the synthesis report of the Commission's management achievements in 2014 (COM 2015/279,) 25 reservations were issued by the Authorising Officers by Delegation, of which 20 were quantifiable and five were not quantifiable but based on reputational grounds.

Despite the increase in the number of reservations (21 in 2013), the expenditure affected by the quantifiable reservations has decreased by EUR 6 856 million (from EUR 51 248 million in 2013 to EUR 44 392 million). This means close to 31% of the total expenditure managed in 2014 (see, in particular, table 4 of the Synthesis Report).

As a follow-up to the 2013 Commission discharge procedure, the Rapporteur for the 2014 discharge, Martina Dlabajová, invited the Commission Directors-General of DG REGIO, DG EMPL, DG AGRI, DG Research and Innovation, DG DEVCO, DG HR and the Secretary General of the European schools to exchange views on the ways and reasons for which they have issued reservations in 2014.



### NEXT MEETINGS

**19 October 2015, 15.00 – 18.30 (Brussels)**

**See also the [2015 calendar of meetings](#) for future meetings**

### WATCH LIVE

Watch the CONT committee meeting live on the [EP web site](#) or on [Europarl TV](#)

### PAPERLESS PROGRAMME

**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.

### (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