



**MEETING OF MONDAY 22 FEBRUARY 2016**

15.00 - 18.30

**TUESDAY 23 FEBRUARY 2016**

09:00 - 12:30 and 15.00 - 18.30

Room: Altiero Spinelli (1G-3)

## **1. AGENDA**

The draft agenda (in EN) was emailed to Members on 12 February 2016 and is in the [file for the 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 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.

### **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.

## **3. APPROVAL OF MINUTES OF CONT MEETING:**

The following minutes are published on the [CONT website](#):

- 11 January 2016,
- 14 January 2016,
- 21 January 2016,
- 25 January 2016,
- 28 January 2016,
- 4 February 2016, which were emailed to CONT Members on 15 February 2016

If no objections are received before the end of the meeting, the minutes will be deemed to be approved



**MONDAY 22 FEBRUARY 2016**

15h00 - 18h30

**PUBLIC MEETING**

**DISCHARGE 2014: OTHER INSTITUTIONS (ITEMS 4 TO 11)**

- 4. COUNCIL AND EUROPEAN COUNCIL**
- 5. EUROPEAN EXTERNAL ACTION SERVICE**
- 6. COURT OF JUSTICE**
- 7. EUROPEAN COURT OF AUDITORS**
- 8. EUROPEAN ECONOMIC AND SOCIAL COMMITTEE**
- 9. COMMITTEE OF THE REGIONS**
- 10. EUROPEAN OMBUDSMAN**
- 11. EUROPEAN DATA PROTECTION SUPERVISOR**



**Consideration of draft reports**

Co-Rapporteurs: [Ryszard Czarnecki](#) (ECR)  
[Monica Macovei](#) (ECR)  
[Anders Primdahl Vistisen](#) (ECR)

Administrators: Tereza Pinto de Rezende & Olivier Sautière (EEAS)

On 25/26 November 2015 the questions from CONT Members concerning the "Other institutions" 2014 discharge were sent to the Court of Justice, Court of Auditors, European Economic and Social Committee, Committee of the Regions, European Ombudsman, European Data Protection Supervisor and the European External Action Service.

The replies received from the institutions (except from the Council) were emailed to CONT Members on 21 December 2015.

The CONT Members held an exchange of views on the main issues concerning the 2014 discharge with the Secretary Generals of the Institutions (except of the Council) on 11 January 2016.

Concerning the Council, although the questionnaire addressed remained unanswered and its Secretary General didn't reply to the CONT invitation to participate at the exchange of views of 11 January, the latter wrote a letter on 16 December 2015 to the Rapporteur Ryszard Czarnecki, stating that the Council has proposed at several occasions in the past that the two institutions agree on a procedure on the exchange of financial information during the annual discharge. He also mentioned the draft memorandum of understanding transmitted to the Parliament in 2011 and reiterated the message sent by the Council on 13 November 2014 supporting the Parliament's resolution on 2012 discharge, that the two institutions could make some progress setting up together a "modus vivendi" procedure, which would contribute to the satisfactory cooperation between the two institutions (as also referred to in the Parliament's resolution on 2013 discharge adopted by the Plenary in October 2015).



Concerning the EEAS discharge, the CONT Members held an exchange of views with the High Representative of the Union for Foreign Affairs and Security Policy, Ms Federica Mogherini, on 21 January 2016. This exchange of views provided to Members an opportunity to address a range of issues relating to the reorganisation of the EEAS, the integration of EU special representatives within the EEAS structure, the priority given to the management of gender and geographical balance in staff and the different domains where to achieve costs reduction. A second set of replies on 12 additional questions following this last hearing was sent to CONT Members on 8 February 2016.

The Rapporteurs prepared their draft reports based on the documents submitted by the institutions, on the exchange of views in CONT and on the replies given by all the institutions – except the Council – to the questionnaires. As the Council continues not to reply to the questions submitted, the Rapporteur for the Council's discharge proposes again in the draft report to postpone the 2014 discharge.

The Members received the original language version of the draft reports on 8 February 2016. Other language versions are available on the [CONT website](#).

At this CONT meeting, the CONT Members will have an exchange of views on the "Other institutions" 2014 discharge after the presentation of the draft reports by the respective rapporteurs.

**CONT Timetable:**

Event	Body	Date
Consideration of the draft reports	CONT	22/02/2016
Deadline for amendments	CONT	04/03/2016
Adoption in CONT	CONT	22-23/03/2016
Adoption in Plenary	Plenary	APRIL II 2016

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**DISCHARGE 2014: AGENCIES (ITEMS 12 TO 44)**

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|--------------------|---|
| <b>12.</b>         | <b>REPORT ON DISCHARGE IN RESPECT OF THE IMPLEMENTATION OF THE BUDGET OF THE EUROPEAN UNION AGENCIES FOR THE FINANCIAL YEAR 2014: PERFORMANCE, FINANCIAL MANAGEMENT AND CONTROL</b> |
| <b>13. ACER</b>    | <b>AGENCY FOR THE COOPERATION OF ENERGY REGULATORS</b>  |
| <b>14. BEREC</b>   | <b>OFFICE OF THE BODY OF EUROPEAN REGULATORS FOR ELECTRONIC COMMUNICATIONS</b>  |
| <b>15. CDT</b>     | <b>TRANSLATION CENTRE FOR THE BODIES OF THE EUROPEAN UNION</b>  |
| <b>16. CEDEFOP</b> | <b>EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING</b>   |
| <b>17. CEPOL</b>   | <b>EUROPEAN POLICE COLLEGE</b>  |
| <b>18. EASA</b>    | <b>EUROPEAN AVIATION SAFETY AGENCY</b>  |
| <b>19. EASO</b>    | <b>EUROPEAN ASYLUM SUPPORT OFFICE</b>   |
| <b>20. EBA</b>     | <b>EUROPEAN BANKING AUTHORITY</b>   |
| <b>21. ECDC</b>    | <b>EUROPEAN CENTRE FOR DISEASE PREVENTION AND CONTROL</b>   |
| <b>22. ECHA</b>    | <b>EUROPEAN CHEMICALS AGENCY</b>  |
| <b>23. EEA</b>     | <b>EUROPEAN ENVIRONMENT AGENCY</b>  |
| <b>24. EFCA</b>    | <b>EUROPEAN FISHERIES CONTROL AGENCY</b>  |
| <b>25. EFSA</b>    | <b>EUROPEAN FOOD SAFETY AUTHORITY</b>   |



<b>26. EIGE</b>	<b>EUROPEAN INSTITUTE FOR GENDER EQUALITY</b>
<b>27. EIOPA</b>	<b>EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY</b>
<b>28. EIT</b>	<b>EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY</b>
<b>29. EMA</b>	<b>EUROPEAN MEDICINES AGENCY</b>
<b>30. EMCDDA</b>	<b>EUROPEAN MONITORING CENTRE FOR DRUGS AND DRUG ADDICTION</b>
<b>31. EMSA</b>	<b>EUROPEAN MARITIME SAFETY AGENCY</b>
<b>32. ENISA</b>	<b>EUROPEAN NETWORK AND INFORMATION SECURITY AGENCY</b>
<b>33. ERA</b>	<b>EUROPEAN RAILWAY AGENCY</b>
<b>34. ESMA</b>	<b>EUROPEAN SECURITIES AND MARKETS AUTHORITY</b>
<b>35. ETF</b>	<b>EUROPEAN TRAINING FOUNDATION</b>
<b>36. EU-LISA</b>	<b>EUROPEAN AGENCY FOR THE OPERATIONAL MANAGEMENT OF LARGE-SCALE IT SYSTEMS IN THE AREA OF FREEDOM, SECURITY AND JUSTICE</b>
<b>37. EU-OSHA</b>	<b>EUROPEAN AGENCY FOR SAFETY AND HEALTH AT WORK</b>
<b>38. EURATOM</b>	<b>EURATOM SUPPLY AGENCY</b>
<b>39. EUROFOUND</b>	<b>EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF LIVING AND WORKING CONDITIONS</b>
<b>40. EUROJUST</b>	<b>THE EUROPEAN UNION'S JUDICIAL COOPERATION UNIT</b>
<b>41. EUROPOL</b>	<b>EUROPEAN POLICE OFFICE</b>
<b>42. FRA</b>	<b>EUROPEAN UNION AGENCY FOR FUNDAMENTAL RIGHTS</b>
<b>43. FRONTEX</b>	<b>EUROPEAN AGENCY FOR THE MANAGEMENT OF OPERATIONAL COOPERATION AT THE EXTERNAL BORDERS OF THE MEMBER STATES OF THE EUROPEAN UNION</b>
<b>44. GNSS</b>	<b>EUROPEAN GNSS SUPERVISORY AUTHORITY (GSA)</b>



### Consideration of draft reports

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

The number of decentralised agencies being subject to discharge has reached 32 for the financial year 2014. In addition to the draft reports on the decentralised agencies, the Rapporteur, Mr Derek Vaughan, will present the draft report containing horizontal observations on the agencies. The draft reports are based on the European Court of Auditors' Annual Reports on the agencies, and the following documents containing information on the agencies' financial management for the 2014 financial year:

- Reports on the follow-up of the previous year's discharge resolutions,
- Reports on 2014 budgetary and financial management,
- 2014 annual activity reports,
- Agencies' answers to the written questions by the CONT Committee (sent to CONT Members on 15 January 2016), and
- Oral replies provided in the course of the CONT hearing of 28 January 2016.

According to the Court's reports, the final accounts of all decentralised agencies subject to the discharge procedure present fairly, in all material respects, their financial position at year-end. In addition, the transactions underlying the annual accounts of the agencies for the year 2014 were legal and regular in all material respects.

The Court included emphasis of matter paragraphs in relation to the reliability of the accounts of European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA), as well as in relation to the legality and regularity of the transactions underlying the accounts of European Institute of Innovation and Technology (EIT).

In the case of eu-LISA, the emphasis of matter concerns the valuation of the SIS II, VIS and EURODAC systems which were recorded in the Agency's accounts at their net book values as per the Commission's internal accounting rules, upon the establishment of the Agency. There was no action that the Agency had to or could have performed in this respect to address the issue, which is to become immaterial in the year 2015 due to the yearly depreciation of asset value.

The EIT's emphasis of matter concerns the financial contributions to its grant recipients, which may not exceed the ceiling of 25% of the recipient's global expenditure. Both the Court of Auditors and the EIT, after obtaining the audit certificates of the EIT's grant recipients, confirmed that this ceiling was respected.

The draft reports for other agencies focus, inter alia, on issues related to the reliability of accounts, the legality and regularity of transactions, internal controls and budget implementation. A high level of carry-overs is one of the most frequent issues identified as it is usually considered to be at odds with the budgetary principle of annuality. The reports note, however, that those issues often resulted, from events which were, completely or partly, beyond the agencies' control, or were justified by the multi-annual nature of operations, procurement procedures or projects.

With regard to the closer coordination between agencies, the draft reports note that a large majority of the agencies already share services with other agencies or institutions. The Agencies examined their internal administrative processes in line with the previous recommendations from the European Parliament and making further efforts in seeking synergies, exchanging best practices and sharing services for their efficient operation and in order to make the most of their resources.

The draft reports, the Court of Auditors' reports and other relevant information (including annual reports, final accounts etc.) can be found on the [CONT website](#).

The draft reports in English were emailed to CONT Members on 8 February 2016. All language versions of the draft reports will be available on the [CONT website](#).

#### **CONT Timetable:**

<b>Event</b>	<b>Body</b>	<b>Date</b>
Consideration of the draft reports	CONT	22/02/2016
Deadline for amendments	CONT	04/03/2016
Adoption in CONT	CONT	22-23/03/2016
Adoption in Plenary	Plenary	APRIL II 2016

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## 45. ECA SPECIAL REPORT N°22/2015 (2014 DISCHARGE) ON "EU SUPERVISION OF CREDIT RATING AGENCIES - WELL ESTABLISHED BUT NOT YET FULLY EFFECTIVE"



**Presentation of the Special Report by the Member of the European Court of Auditors responsible, *Baudilio Tomé Muguruzza*, and consideration of a working document**

Rapporteur: [Marco Valli](#) (EFDD)

Administrator: Christian Ehlers

Credit rating agencies (CRAs) issue opinions that help reduce the asymmetry of information among borrowers, lenders and other market participants. The global financial crisis in 2008 focused attention on the role of CRAs and the impact of their ratings on financial markets. The European Securities and Markets Authority (ESMA) was established on 1 January 2011 as part of the European System of Financial Supervision (ESFS).

The activities of ESMA are based on the Credit Rating Agency regulation (CRAR). Its principle objective is to protect investors and ensure the stability of financial markets in the EU. The regulation governs the preparation processes and methodologies for generating credit ratings. CRAs must use rating methodologies that are 'rigorous, systematic, continuous and subject to validation based on historical experience, including back-testing'. CRAs must disclose their rating methodologies and the critical assumptions used. It also contains a significant level of prescriptive detail on how CRAs should manage conflicts of interest.

The ECA recommends that:

- 1) During the registration process, ESMA should adequately document its assessment of all the regulatory requirements regarding the credit rating methodologies;
- 2) ESMA should enhance the traceability of the risk identification process. ESMA should maintain a log of the changes to the risk level and document the prioritisation of risks together with reasons; ESMA should follow up all the high-risk areas, which would benefit from further supervisory work.
- 3) ESMA should regularly update the supervisory manual and handbook; it should establish internal guidance for the effective documentation of the investigations so as to demonstrate and ensure that all conclusions are supported by adequate analyses of the evidence; it should also put in place a dedicated supervisory IT tool that would improve knowledge sharing, clarify the ownership of tasks, facilitate the review of the work done, and improve communication within the supervisory teams.
- 4) ESMA should examine all important aspects of the design and implementation of CRA methodologies which have not yet been covered;
- 5) ESMA should examine in a structured manner the systems put in place by the CRAs for dealing with conflicts of interest, and in particular those relating to rating analysts' trading activities and financial transactions;
- 6) ESMA should work on further improve and align disclosure practices across the CRAs;
- 7) ESMA should monitor and improve the information content of CEREP disclosures based on best practices for disclosing ratings performance;
- 8) ESMA should publish all applicable legislation and relevant documents and make the website more user-friendly.

The draft working document in English was circulated to Members on 18 February.

The Special Report 22/2015 is available in all languages on the [CONT website](#).





**CONT Timetable:**

Event	Body	Date
Consideration of draft report	CONT	23/02/2016
Deadline for amendments	CONT	04/03/2016
Adoption in CONT	CONT	23/03/2016
Adoption in Plenary	Plenary	APRIL II 2016

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**DISCHARGE 2014: JOINT UNDERTAKINGS (ITEMS 46 TO 53)**

- 46. ARTEMIS EMBEDDED COMPUTING SYSTEMS**
- 47. CLEAN SKY AERONAUTICS AND ENVIRONMENT**
- 48. ECSEL ELECTRIC COMPONENTS & SYSTEMS FOR EUROPEAN LEADERSHIP**
- 49. ENIAC EUROPEAN NANO ELECTRONICS INITIATIVE ADVISORY COUNCIL -**
- 50. FCH FUEL CELLS AND HYDROGEN**
- 51. IMI INNOVATIVE MEDICINES**
- 52. ITER FUSION ENERGY**
- 53. SESAR SAFETY OF AIR NAVIGATION**



**Consideration of draft reports**

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

For the financial year 2014, the eight Joint Undertakings (JUs) subject to the discharge procedure by the Parliament are the following: IMI, ARTEMIS, ENIAC, ECSEL, CLEAN SKY, FCH, SESAR and F4E.

The rapporteur, Mr Marinescu, will present the draft reports which focus mostly on the issues identified during the financial year 2014.

The reports focus on issues and efforts made by the JUs regarding monitoring and reporting, internal control systems as well as the implementation of the relevant parts of the new Financial Regulation into their respective financial rules. The rapporteur is concerned that the Joint Undertakings have not done enough to clearly distinguish in their financing stemming from the 2007-2013 multiannual budget and the one coming from the 2014-2020. Moreover, the rapporteur deplores that the report of the Court of Auditors does not touch upon this issue.

The Court of Auditors' reports and other relevant information (including annual reports, final accounts etc.) can be found on the [CONT website](#).

The draft reports in English have been sent by email to CONT Members on 10 February. All language versions will be available on the [CONT website](#) after 19 February.

The deadline to submit amendments to the report is noon, 4 March 2016.

#### CONT Timetable:

Event	Body	Date
Consideration of the draft reports	CONT	22/02/2016
Deadline for amendments	CONT	04/03/2016
Adoption in CONT	CONT	22-23/02/2016
Adoption in Plenary	Plenary	April II 2016

**MONDAY 23 FEBRUARY 2016**

9h00 - 11h00

**PUBLIC MEETING**

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

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

##### Adoption of draft report



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

Administrator: Olivier Sautière

Following the presentation and exchange of views on the 2014 EIB annual report held in CONT on 15/10/2015 in the presence of the President of the EIB Mr Hoyer, the Committee on Budgetary Control (CONT) had an exchange of views on the draft report on 9/11/2015.

In his draft report, the Rapporteur Mr Pirinski emphasized the need to keep the momentum in view of accelerating economic recovery and productive employment and accordingly to further prioritise the EIB's investment programmes as well as the key role to be played by the EIB in the field of external policies to back and elaborate adequate crisis response such as the migration issue.

While welcoming the new European Fund for Strategic Investments (EFSI), the Rapporteur also drew attention to key-guidelines to be considered in the management of EFSI in order to face the challenges ahead and manage stakeholders' expectations for a swift and successful implementation of EFSI.

The Rapporteur then called for an enhancement of the EIB's governance, transparency and control framework in order to achieve the highest levels of transparency through the disclosure of exhaustive budgetary information, deepened due diligence activities on ultimate beneficiaries and the adoption of a stringent list of criteria for the selection of financial intermediaries.

Finally, Mr Pirinski the Rapporteur advocated moving towards a more comprehensive parliamentary accountability correlated to the evolving complexity and growing scope of the EIB interventions.

The Committees on International Trade (TRADE), Budgets (BUDG), Economic and Monetary Affairs (ECON) and Regional Development (REGI) delivered opinions on this CONT draft report.

The deadline for tabling amendments was on 15 December 2015. 70 amendments were tabled. The draft report and the amendments are available in all languages on the [CONT website](#).

All language versions of the EIB reports are available on [the EIB website](#).



The final voting list will be sent to the Members shortly.

#### CONT Timetable:

Event	Body	Date
Consideration of the draft report	CONT	9/11/2015
Deadline for amendments	CONT	30/11/2015
Adoption in CONT	CONT	23/02/2016
Plenary	Plenary	April II 2016

## 55. IMPROVING THE FUNCTIONING OF THE EUROPEAN UNION BUILDING ON THE POTENTIAL OF THE LISBON TREATY



### Adoption of draft opinion

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

Administrator: Mauro De Oliveira

CONT committee is providing an opinion to the Constitutional Affairs Committee (AFCO) on its initiative report: Improving the functioning of the European Union building on the potential of the Lisbon Treaty. Elmar Brok and Mercedes Bresso are the (AFCO) Rapporteurs.

In the opinion, Petri Sarvamaa, stresses in particular that it is fundamental to observe budgetary discipline and use available EU funds efficiently and effectively; he notes that despite some progress, the evaluation report as provided for in Article 318 TFEU is not yet a useful contribution and considers that the Parliament and the Council should be on an equal footing when appointing Members of the Court of Auditors.

The deadline for amendments was 9 February 2016. 17 amendments were tabled. The draft opinion and the amendments are available in all languages on the [CONT website](#).

The final voting list will be sent to the Members shortly.

#### CONT Timetable:

Event	Body	Date
Consideration of the draft opinion	CONT	04/02/2016
Deadline for amendments	CONT	09/02/2016
Adoption in CONT	CONT	23/02/2016
Adoption in AFCO	AFCO	14/03/2016
Adoption in Plenary	Plenary	May II 2016

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



## 56. ECA SPECIAL REPORT N°20/2015 (2014 DISCHARGE) ON "THE COST-EFFECTIVENESS OF EU RURAL DEVELOPMENT SUPPORT FOR NON-PRODUCTIVE INVESTMENTS IN AGRICULTURE"



### Presentation of the Special Report by the Member of the European Court of Auditors responsible, *Jan Kinšt*, and consideration of a working document

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

The Court conducted an audit of the cost-effectiveness of non-productive investments (NPI) in contributing to the European Agricultural Fund for Rural Development objective of a sustainable use of agricultural land in the 2007-13 programming period

NPIs are investments which do not generate a significant return, income, or revenue, or increase the profitability of a beneficiary's holding, but have a positive environmental impact.

The audit focused on answering to following main question:

- Have NPIs provided a cost-effective contribution to the sustainable use of agricultural land?

With regard to this, the Court's report provides answers to the following sub-questions:

- a) Have NPIs effectively contributed to the achievement of agri-environmental objectives linked to the sustainable use of agricultural land?
- b) Were the costs of the supported NPIs justified and reasonable?
- c) Have the Commission and the Member States identified and corrected the weaknesses affecting the cost-effectiveness of NPIs in the 2007-13 periods in order to make improvements for the 2014-20 periods?

The Court concludes overall, that NPIs support to the visited projects has contributed to the achievement of environmental objectives linked to the sustainable use of agricultural land but that effectiveness of the support was undermined by weaknesses in the Member States' selection procedures. These weaknesses led to NPIs receiving support that were ineligible, with unreasonably high costs or insufficiently justified.

The Court found clear indications of unreasonable costs in 75 % of these projects.

The audit revealed that neither the Commission nor the Member States had relevant information about the direct results of NPI support. In the context of the 2014-20 periods the audit points out that the Commission and the Member States have not yet corrected most of the weaknesses identified by the Court.

In consequence the rapporteur issued a range of conclusions and in particular recommends that:

- the Commission encourages Member States to implement NPIs more in synergy with other rural development measures and/ or environmental schemes and that the Commission monitors relevant Member States' implementation through their annual implementation reports from 2017;
- the Commission provides guidance to Member States on NPIs selection criteria for 2014-2020 period and checks that they apply appropriate procedures for the selection of projects and that Member States ensure that the NPIs selection procedures are transparent, made public and effectively implemented, and that they verify effectively the compliance with these criteria;
- Member States implement, without delay, procedures to ensure that the costs of the supported NPIs do not exceed the costs of similar types of goods, service or works offered by the market.

The English version of the working document has been circulated to the Members on 5 February 2016 and is available on [CONT website](#).

The Rapporteur's conclusions may 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.

#### CONT Timetable:

Event	Body	Date
Consideration of working document	CONT	23/02/2016
Deadline for amendments	CONT	04/03/2016
Adoption in CONT	CONT	23/03/2016
Adoption in Plenary	Plenary	APRIL II 2016

## 57. FIGHT AGAINST CORRUPTION AND FOLLOW UP OF THE CRIM RESOLUTION



### Consideration of draft opinion

Rapporteur: [Julia Pitera](#) (EPP)  
 Administrator: Tereza Pinto De Rezende

The Rapporteur suggests that the combat against organised crime, corruption and money laundering requires close cooperation by national competent authorities and a European action plan with adequate financial resources to eradicate them. It is recalled that under article 325 TFEU Member States and Commission have a legal duty to combat fraud and the Rapporteur welcomes the inclusion of anti-fraud clauses in legislative proposals with financial impact. The international agreement within the G20 to apply a new global standard for greater tax transparency is also welcomed.

The Rapporteur is supportive of the re-use of confiscated assets for social purposes and called for the EU to apply for membership for the Council of Europe Group of States against corruption (GRECO). The rules on the protection of whistleblowers are mandatory in the EU institutions and Member States are encouraged to adopt a similar set of rules for whistleblowers and State witnesses.

To conclude, the Rapporteur welcomes the 18 month programme of the EU Council Presidencies – Dutch, Slovak and Maltese – that proposes a comprehensive and integrated approach to organised crime.

#### CONT Timetable:

Event	Body	Date
Consideration of draft opinion	CONT	23/02/2016
Deadline for amendments	CONT	04/03/2016
Adoption in CONT	CONT	20/04/2016



**MONDAY 23 FEBRUARY 2016**

11h00 - 12h30  
**(IN CAMERA)**

**58. COORDINATOR'S MEETING**



**Meeting held in camera**

**MONDAY 23 FEBRUARY 2016**

15h00 - 16h00  
**PUBLIC MEETING**

**59. 2014 DISCHARGE: PRESENTATION OF THE COUNCIL RECOMMENDATIONS BY JEROEN DIJSSELBLOEM, MINISTER OF FINANCES OF THE KINGDOM OF THE NETHERLANDS, IN THE PRESENCE OF THE VICE-PRESIDENT OF THE EUROPEAN COMMISSION RESPONSIBLE FOR BUDGET AND HUMAN RESOURCES, KRISTALINA GEORGIEVA**



Jeroen Dijsselbloem, Minister of Finances of the Kingdom of the Netherlands

The draft Council recommendations were voted by ECOFIN on 12 February 2016. They were sent to Members on 15 February 2016 and are published on the [CONT website](#).

The initial presentation by the Dutch Minister of Finance will be followed by an exchange of views with the Members of the committee.

**Commission Discharge:**

The Council recommends the European Parliament to give a discharge to the Commission in respect of the implementation of the budget of the European Union for the financial year 2014.

The Council considers in particular the assessment of performance to be an important element in the annual evaluation of the sound financial management of EU funds and invites the Court to consider providing performance information in all spending areas.

The Council welcomes the Commission's initiative "Budget for Results", including the organisation of a series of expert meetings on Performance-Based Budgeting.



The United Kingdom and Sweden have adopted a joint declaration; they strongly regret in particular that, for the 21st consecutive year, the European Court of Auditors has been unable to grant an unqualified Statement of Assurance on the EU budget as a whole and that the overall error rate for expenditure remains significantly above the acceptable 2 % threshold, with only a marginal reduction on last year at 4.4 %.

#### **European Development Fund (EDF):**

As regards to activities funded by 8th, 9th, 10th and 11th EDFs for the financial year 2014, the Council notes with concern that the error rate has increased again compared to the previous year to 3.8% and urges the Commission to work within the agreed target of 2% error rate. The Council notes that the revenue of the EDFs and the global commitments entered into by the EDFs were free from material error but takes note however that the payments made by the EDFs were materially affected by error. The Council remains concerned that examined systems are only partially effective and calls on the Commission to pay more attention to ex-ante checks given the high-risk operational environment of the Commission.

The Council welcomes the Commission's effort to reduce old open prefinancing and old RAL (le reste à liquider), while taking note of the fact that expired contracts in 2014 still represented euro 3.7 billion, of which euro 1.3 billion had expired before 2010 and invites the Commission to sustain its efforts in these matters. The Council furthermore notes the positive trend regarding the recovery of interests on prefinancing by a monitoring system put in place to that respect and the setting-up of quality grids for audits and expenditure verification, managed by the Commission itself, by the end of 2015.

However the Council acknowledges that improvements should be made in areas of particular importance i.e. to improving internal control procedures regarding the clearance of prefinancing, especially with regards to prefinancing paid to international organisations, to improving indicators of target values for the assessment of the efficiency and cost effectiveness of controls and to continuing attention to the budget support transactions.

Overall, the Council recommends that the European Parliament give the Commission a discharge in respect of the implementation of the operations funded by 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> EDFs for the financial year 2014.

#### **Agencies:**

The Council, in its draft recommendations, recommends granting discharge for all of the 32 decentralised agencies. The draft recommendations contain, moreover, the accompanying comments for 15 agencies which focus on, inter alia, budgetary management and expenditure, procurement procedures as well as financial programming and monitoring of budget implementation.

#### **Joint undertakings:**

The draft Council recommendations propose granting discharge to all of the eight joint undertakings. The Council notes with concern the Court's remarks about the significant risk of further increases in the cost of the ITER project. The Council calls on Clean Sky 2 and IMI JUs to pay attention to proper financial programming and budget implementation in order to reduce the level of commitment appropriations carried over to the following financial year. The Council regrets that ECSEL JU has received a qualified opinion on the legality and regularity of transactions underlying the accounts of the JU.



**MONDAY 23 FEBRUARY 2016**

16h00 - 18h30

**PUBLIC MEETING**

**60. DISCHARGE 2014: EU GENERAL BUDGET - EUROPEAN COMMISSION**

**61. DISCHARGE 2014: EUROPEAN COMMISSION ECA SPECIAL REPORTS**



**Consideration of draft reports, in the presence of the Vice-President of the European Commission responsible for Budget and Human Resources, Kristalina Georgieva**

Rapporteur: Martina Dlabajová (ALDE)

Administrators: Christian Ehlers & Philippe Godts

In her draft report the rapporteur states that when the European Parliament grants discharge to the Commission it should verify not only whether funds were spent legally and regularly but also whether policy objectives were achieved and the principles of sound financial management and a performance culture respected.

After the CONT hearings with the Secretary General of the Commission the rapporteur asked the Commission to commit itself to:

1. better reconciling, in a long term vision, the financial (MFF) and political (i.e. the Growth and Jobs policy) programming periods;
2. ensuring a stronger link between the EU 2020 Objectives, on the one hand, and the partnership agreements and operational programmes on the other.
3. adding a new objective to the DG AGRI management plan with key performance indicators published in the DG AGRI annual activity report regarding a fairer distribution of the CAP;
4. giving a new impetus to the initiative put forward in 2013 with the view to introducing a common EU revision policy harmonising the timetable for major revisions of Growth National Income balances;
5. finally putting into practice the ECA long-standing demand for a long-term cash flow plan because the RALS will be once again problematic;
6. periodically reviewing the Code of conduct of the Commissioners in order to better address the revolving-doors issue.
7. ensuring that the recommendations issued by the Court of Auditors in 27 November 2015 concerning the European schools will be put in place immediately;
8. publishing the Directorates General's contribution to the country specific recommendations adopted in the European semester in their respective annual activity reports;
9. following-up on the demands made by the Parliament regarding the expert groups when it adopted the budget 2014.

Other commitments were requested regarding tobacco agreements, asylum and migration and OLAF issues.



The rapporteur expects to receive a letter from Commission Vice-president Georgieva formulating the Commission's commitments. The letter will be circulated to CONT Members.

The English version of the 2014 Commission draft discharge reports was sent to Members on 10 February. Other language versions will be available on the [CONT website](#) as soon as possible.

#### CONT Timetable:

Event	Body	Date
Consideration of the draft reports	CONT	23/02/2016
Deadline for amendments	CONT	04/03/2016
Adoption in CONT	CONT	23/03/2016
Adoption in Plenary	Plenary	APRIL II 2016

## 62. DISCHARGE 2014: EU GENERAL BUDGET - 8TH, 9TH, 10TH AND 11TH EDFs



### Consideration of draft report

Rapporteur: [Claudia Schmidt](#) (EPP)

Administrator: Olivier Sautière

In the course of the preparation of the European Development Fund (EDF) discharge report for 2014, the Committee submitted written questions to the Member of the European Commission responsible for International Cooperation and Development, Mr Neven Mimica, on 19 November 2015, and to the Director General and Deputy Head of Operations of the European Investment Bank (EIB) for Operations outside the EU, Mr Luca Lazzaroli, on 23 November 2015.

CONT held an exchange of views with Commissioner Mimica and with Mr Lazzaroli on 1 December 2015.

The Rapporteur, Ms Schmidt, recalled (i) the need for strongly reinforcing the supervision of operations and the management assurance process especially when it comes to the accountability of heads of Union delegations for their management, oversight and reporting duties, (ii) the need for getting more visibility and an overview in the DEVCO's annual activity report on the achievements of the Union delegations and (iii) to better identify sectors of activities where most errors occur and the highest level of vulnerability is.

As regards the implementation of the renewed development agenda by 2030, the Rapporteur considered that both a higher level of ambition in the strategy was necessary and that the link between policy strategy and coordination among donors for the various aid instruments should be fine-tuned for the purpose of efficiency and effectiveness. The Rapporteur also emphasised the necessity to design a comprehensive crisis response using EDF and EIB financial resources.

On new financial aid instruments like trust funds or blended finance, the Rapporteur requested to further reflect on their effectiveness and political governance the while also being seriously concerned by the insufficient reliability of evaluation and results-oriented monitoring systems.

For the EIB activities, the Rapporteur welcomed the first EIB report on the results of its external operations and the coherence of the ACP investment facility with Union's development objectives but called for a better access to board decisions and steering documents.

Separate chapters are also dedicated to budget support presenting significant fiduciary risks, to the cooperation with international organisations particularly when pooling of funds are at stake, the evaluation of various Union's support to ACP countries on timber producing countries, for renewable energy in East Africa, for the fight against torture and the abolition of death penalty and the Union support to Haiti.



The English draft report was sent to Members on 8 February 2016.

All language versions of the draft report and the reference documents can be consulted on the [CONT website](#).

**CONT Timetable:**

Event	Body	Date
Consideration of the draft report	CONT	23/02/2016
Deadline for amendments	CONT	04/03/2016
Adoption in CONT	CONT	23/03/2016
Adoption in Plenary	Plenary	APRIL II 2016

**63. ANY OTHER BUSINESS**

**NEXT MEETINGS**

- **29 February 2016, 15.00-18.30 (Brussels)**
- **15 March 2016, 9.00 - 12.30 and 15.00-18.30 (Brussels)**

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