



COCOBU INFO

Issue 5/2010

Committee on Budgetary Control

MEETING

MONDAY 26 APRIL 2010

15h00 - 15h30 (Coordinators' Meeting - in camera)

15h30 - 18h30

TUESDAY 27 APRIL 2010

09h00 - 12h30

**BRUSSELS
ROOM JAN 4Q2**



MONDAY 26 APRIL 2010

15H00 - 15H30

COORDINATORS MEETING (IN CAMERA)

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MONDAY 26 APRIL 2010

15H30 - 18H30

1. ADOPTION OF DRAFT AGENDA

The draft agenda (in EN) was emailed to Members on 14 April 2010 and is in the dossier for this meeting.

2. CHAIRMAN'S ANNOUNCEMENTS

The Chairman wishes to make the following announcements:

3.1 Languages available:

BG, ES, CS, DA, DE, EL, EN, FI, FR, IT, LT, HU, NL, PL, RO and SV.

3.2 Webstreaming:

Members are informed that this CONT meeting will be webstreamed (apart from the *in camera* items) on the following link:

<http://www.europarl.europa.eu/wps-europarl-internet/frd/live/live-program?language=en>

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

3.3 *OLAF presentation in camera:*

After the presentation of the briefing notes prepared by the competent services in the Commission, OLAF included, the last part of item 9 "Delegation to Greece (27 - 29 April 2010)" will be taken "in camera" from 18.00 to 18.30 in order to allow OLAF to give an oral briefing concerning OLAF related issues in Greece.

3. APPROVAL OF MINUTES OF CONT MEETING

The dossier contains minutes of the meeting of 15-16 March 2010, emailed to CONT Members on 7 April 2010.

If no objections are received before the end of the meeting, these will be deemed approved.

4. EUROPEAN COURT OF AUDITORS' SPECIAL REPORT 18/2009 "EFFECTIVENESS OF EDF SUPPORT FOR REGIONAL ECONOMIC INTEGRATION IN EAST AFRICA AND WEST AFRICA"

- ◇ *CONT/7/01668*
- ◇ *Rapporteur: Mr Bart Staes*
- ◇ *Administrator responsible: Mrs Urszula Mojowska*
- ◇ *Exchange of views in the presence of the Member of the Court of Auditors responsible, Mr Jan Kinšt*

The European Court of Auditors' (ECA) Special Report 18/2009 is available on the CONT website (<http://www.europarl.europa.eu/activities/committees/publicationsCom.do?language=EN&body=CONT>). The rapporteur's working document was distributed on 6 April 2010.

The above mentioned report deals with the audit undertaken by the European Court of Auditors with a view to determining whether the European Development Fund support for regional economic integration in East Africa and West Africa had been effective. It addresses the questions of whether the Commission has a relevant and coherent approach to regional integration, whether it has managed its support for regional integration well and whether its individual projects in support of regional integration met their objectives. The total financial allocations to regional programmes under the 8th EDF amounted to 782 million euro, under the 9th EDF the total allocations were 904 million euro, and under the 10th EDF 1 783 million euro were allocated to regional programmes.

The Court found out that the Commission's regional cooperation strategy is relevant, yet complementarity vis-à-vis its national cooperation strategies is weak and the level of funding does not take account of absorption capacities. Regional projects, albeit relevant, do not sufficiently address regional integration needs at the national level. The Court further stated that delegations lack guidelines and capacity to manage regional programmes and that overall coordination, reporting and monitoring by Regional Organisations is inadequate. According to the Court's findings, implementation of regional projects is complex and slow. The Court found the project effectiveness difficult to assess but in most cases it was limited.

The conclusions and recommendations of this working document will be presented by the rapporteur at a later stage.

5. DRAFT COUNCIL DECISION ESTABLISHING THE

ORGANISATION AND FUNCTIONING OF THE EUROPEAN EXTERNAL ACTION SERVICE

- ◇ *CONT/7/02650*
- ◇ *Rapporteur: Mr Ivailo Kalfin*
- ◇ *Administrator responsible: Mr József Blaszauer and Mr Rudolfs Verdins*
- ◇ *Exchange of views in the presence of Mr Hervé JOUANJEAN, European Commission, DG Budget, Director-General*

JOINT DISCUSSION ON THE EUROPEAN EXTERNAL ACTION SERVICE (EEAS) PACKAGE (ITEMS 5.-7.)

The setting up of the EEAS necessitates the adoption of 4 different pieces of legislation (under different procedures):

1. a proposal for a Council decision establishing the organisation and functioning of the Service (Council decision, EP only consulted, lead committee: AFET) - CONT draftsman: Mr Kalfin;
2. a proposal for amending the Financial Regulation (ordinary legislative procedure - OLP, i.e. co-decision with the EP, lead committee: BUDG) - CONT draftsman: Mr Rivellini;
3. a proposal for amending the staff regulation (OLP, lead committee: JURI); CONT draftswoman: Ms Herczog; and
4. an amending Budget for the year 2010 (budgetary procedure, lead committee: BUDG); CONT draftsman: Mr Balcytis.

Out of these four proposals only two have so far been adopted and received by Parliament: the draft Council decision (1.) and the one adapting the Financial Regulation (2.). The remaining two proposals (amending the Staff Regulation and the 2010 budget) are not expected to be adopted by the Commission before June 2010.

It should be stressed that an EP steering group on EEAS (under the guidance of President Buzek and in which CONT is represented by its draftsman, Mr Kalfin, and by Mr de Magistris) has started its work and coordination meetings between the rapporteurs and draftspersons are taking place. Moreover, a working document from Elmar Brok (AFET) and Guy Verhofstadt (AFCO) is also available.

In view of a joint debate the following order of speakers is proposed:

- Chairman,
- CONT draftspersons,
- Commission/Council representatives
- other CONT Members
- CONT draftspersons
- (*possibly*) Commission/Council representatives

On 25 March, HR/VP Ashton presented her proposal for a Council Decision establishing the organisation and functioning of the Service.

6. EEAS PACKAGE: AMENDING BUDGET

- ◇ *CONT/7/XXX*
- ◇ *Rapporteur: Mr Zigmantas Balčytis*
- ◇ *Administrator responsible: Mr Rudolfs Verdins*
- ◇ *Exchange of views in the presence of Mr Hervé JOUANJEAN, European Commission, DG Budget, Director-General*

No proposal has been adopted yet.

7. AMENDMENT OF COUNCIL REGULATION (EC, EURATOM) No 1605/2002 ON THE FINANCIAL REGULATION APPLICABLE TO THE GENERAL BUDGET OF THE EUROPEAN COMMUNITIES, AS REGARDS THE EUROPEAN EXTERNAL ACTION SERVICE

- ◇ *CONT/7/02636*
- ◇ *Rapporteur: Mr Crescenzo Rivellini*
- ◇ *Administrator responsible: Ms Urszula Mojowska*
- ◇ *Exchange of views in the presence of Mr Hervé JOUANJEAN , European Commission, DG Budget, Director-General*

The proposal had been drafted with a view to amending the Financial Regulation in line with the creation of the European External Action Service. The Commission presented the aforementioned proposal on 24 March 2010, together with a Commission staff working document on the changes required in the Implementing Rules of the Financial Regulation as regards the European External Action Service.

The proposal falls under the ordinary legislative procedure. It was referred to CONT as Committee for opinion, BUDG being the lead Committee. A procedure with associated Committees (Rule 50) is possible and it was proposed to the Coordinators to invite the Chairman to write, together with the Chairman of the BUDG Committee, a letter to the President of the Parliament requesting the application of that procedure. No calendar was indicated by BUDG so far.

A working document by BUDG rapporteur Ingeborg Gräßle on the Financial Regulation and the European External Action Service is available in CONT's website (http://www.europarl.europa.eu/meetdocs/2009_2014/organes/cont/cont_20100426_1500.htm).

The proposal is separate from the tri-annual review of the Financial Regulation, for which a

proposal from the Commission is awaited for the end of May 2010.

8. AMENDMENT OF COUNCIL REGULATION (EC, EURATOM) No 1605/2002 ON THE FINANCIAL REGULATION APPLICABLE TO THE GENERAL BUDGET OF THE EUROPEAN COMMUNITIES

- ◇ *CONT/7/02449*
- ◇ *Rapporteur: Mr Crescenzo Rivellini*
- ◇ *Administrator responsible: Mrs Urszula Mojowska*
- ◇ *Exchange of views in the presence of Mr Hervé JOUANJEAN , European Commission, DG Budget, Director-General*

The proposal concerns modifications to the Financial Regulation necessary after entry into force of the Treaty of Lisbon. It is the so-called-fast track revision, separate from the tri-annual review. The proposal falls under the ordinary legislative procedure. CONT was originally the Committee for opinion, however, a joint letter by the Chairmen of CONT and BUDG was sent to the President of the Parliament on 25 March 2010 requesting the procedure with associated committees (rule 50) to be applied. No calendar was indicated by BUDG so far.

9. DELEGATION TO GREECE (27 - 29 APRIL 2010)

- ◇ *Chairman: Mr Luigi de Magistris*
- ◇ *Administrator responsible: Mr Bent Adamsen*
- ◇ *Presentation of briefing papers by the European Commission*

During the last legislature the Committee established the practice of having - as far as possible - an exchange of views with the competent Commission services before delegation visits in Member States or elsewhere in view of preparing the delegation visit in the best possible way in order to allow Members of the Committee not participating in the delegation to familiarise themselves with the matters to be discussed during the visit.

On that background the Chairman invited on 15 December 2009 the Commission to draw up short and concise briefing notes on items which the coordinators had identified (Coordinators' meetings on 25 January, 23 February and 22 March 2010) as priorities for the exchange of views with the Greek authorities:

- implementation of the Integrated Administrative and Control system (IACS)
- management and control systems for Structural funds programmes in Greece
- management of the European Union Solidarity fund in Greece
- independence and integrity of Greek statistics
- OLAF related issues in Greece.

By letter of 21 December 2009 Siim Kallas, Vice-President of the European Commission, confirmed that the Commission would provide the Committee with the requested briefing notes.

The secretariat received the briefing notes from the Commission on 7 April 2010 and they were forwarded to the Members on 12 April.

The briefing note from OLAF was received on 14 April and forwarded to Members the same day.

After the public presentation of the briefing notes by the competent Commission services and OLAF the last part of item 9 will be taken "in camera" in order to allow OLAF to give an oral briefing concerning OLAF related issues in Greece as already mentioned under "Chairman's announcements".

TUESDAY 27 APRIL 2010
09H00 - 12H30

10. ADOPTION OF COORDINATORS' RECOMMENDATIONS

11. HEARING ON "EFFICIENCY AND EFFECTIVENESS OF THE 7TH RESEARCH FRAMEWORK PROGRAMME IMPLEMENTATION AND CONTROL SYSTEMS AND PROPOSALS FOR REFORM"

◇ *CONT/7/02592*

◇ *Rapporteur: Mr Aldo Patriciello*

◇ *Administrators responsible: Mr József Blaszauer*

At its meeting on 3-4 November 2009 the Committee on Budgetary Control decided to arrange a hearing on "Efficiency and effectiveness of the 7th Research Framework Programme (FP7) implementation and control systems and proposals for reform" to be held at the committee meeting in April, and Mr Patriciello was appointed rapporteur.

At the CONT meeting of 23 February the draft programme as proposed by the Secretariat in agreement with the rapporteur was approved.

Since 1984, European Community RTD activities have been implemented through multi - annual framework programmes (FPs). The ongoing FP - FP7 - was adopted in 2006 and covers the period 2007-2013 and has a budget of €50.5 billion.

In previous years' discharge resolutions, the Committee on Budgetary Control, followed by Plenary has shown concern about implementation problems regarding the framework programmes (absence of clear definitions of eligible costs, recalculation of the financial statements of projects, inconsistent application of the legal provisions) and has called for a necessary simplification of the rules for beneficiaries and other improvements to the system.

The main objective of the hearing will be to identify the key issues causing concern among beneficiaries, to examine the changes they would welcome, to take stock of the expected initiatives and proposals in order to address the weaknesses and to pave the way for an improved management and control framework for the following FP (FP8). The Committee on Industry, Research and Energy (ITRE) has been officially invited to attend the hearing.

12. ANY OTHER BUSINESS

13. DATE OF NEXT MEETING

The next meeting of the Committee on Budgetary Control will take place in Brussels on:

- Monday 31 May 2010, 15h00-18h30
- Tuesday 1 June 2010, 09h00-12h30

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