



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 15 July 2013**

**12345/13**

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BUDGET 41  
INST 409  
JAI 633**

**NOTE**

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from: General Secretariat of the Council  
to: Delegations

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Subject: Summary record of the meeting of the European Parliament **Committee on Budgetary Control (CONT)**, held in Brussels on 10 July 2013

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The meeting was chaired by Mr THEURER (ALDE, DE), chair.

***Items 1 and 2 on the agenda***

Mr THEURER announced that item 9 on the agenda had been cancelled at the request of the rapporteur.

***Item 3 on the agenda***

**Special Report No 18/2012 (2012 discharge) – European Union Assistance to Kosovo related to the rule of law**

CONT/7/11182

Rapporteur: Mr VAUGHAN (S&D, UK)

- Exchange of views and consideration of a working document, in the presence of the Member of the European Court of Auditors responsible, ***M. De Vries***

Mr De Vries underlined the huge amount of per capita EU assistance provided to Kosovo and stressed that half of it had been devoted to the rule of law sector. He recalled that elements covered by the sector included police, judiciary, customs and fight against corruption, which remained key elements to ensure the rule of law.

He pointed in particular to the need for witness protection and the lack of judges. He called for coordination between the external and the internal security policies and considered that EULEX had done a good job in a number of circumstances. Mr De Vries also called on Member States to second more officials to Kosovo and explained that the secondment period had to be long enough to allow them to deliver. He also pointed out that three bodies in charge of fighting corruption and three agencies in charge of public procurement were too many and complained that the EU had not set their reduction in number as a priority. The judiciary was also still exposed to too much political influence.

The rapporteur, Mr VAUGHAN, stated that progress had been made in different areas of the rule of law (police, justice, customs and anti-corruption measures), but more remained to be done. He considered that political will was needed to achieve further progress in terms of effectiveness of EU assistance, and mentioned in particular the need for increased cooperation and integration between EU institutions and the Kosovo authorities. He added that Member States did not always keep their promises for the number of seconded officials and regretted that the length of secondment was too short. He also pointed out the small financial capacity of Kosovo and the limited influence that civil society could deploy towards corruption.

Ms GRÄBLE (EPP, DE), supported by Mr EPPINK (ECR, BE), welcomed the report from the CoA and inquired about concrete measures that could be adopted to allow further progress. She considered that 17 priority actions were too many to allow real progress in any area. Mr RÜBIG (EPP, AT) considered that the reasons for failed projects should be investigated to design new ones better and to detect corruption.

Mr AUDY (EPP, FR) referred to the recent independence of Kosovo and inquired about the use of the euro as currency.

The representative of the Commission highlighted that EU cooperation in Kosovo had improved, and mentioned the creation of a single EU office in the country. Work in the framework of the stabilisation and association agreement was progressing and a subcommittee was devoted to issues concerning the rule of law. Such issues were also addressed in an annual conference in Pristina. He also mentioned the agreement signed on 13 April 2013 by Kosovo and Serbia, which opened an historic dialogue with Serbia. He also referred to the existence of audit institutions, although he acknowledged that they were still teething.

Mr HARBOUR, of the EEAS, underlined the specificities of civil society in Kosovo, which had developed in underground organisations since 1989. He recalled that the EU mission in Kosovo was unprecedented and gave the example of seconded judges who had to apply local law. In his view, a concrete improvement could come from recognition of Kosovo by all EU Member States, since this would allow Kosovo authorities to accede to INTERPOL.

Mr GEIER (S&D, DE) asked that an initiative report be prepared on this issue.

Mr VAUGHAN concluded that concrete progress could come from improving measures for witness protection, reducing the political influence on judges and from an integrated public procurement system. He suggested that other instruments than financial assistance be used to leverage progress in the rule of law, and mentioned a visa liberalisation.

***Item 4 on the agenda***

**Special Report No 25/2012 (2012 Discharge) - Are tools in place to monitor the effectiveness of European Social Fund spending on older workers?**

CONT/7/12527

Rapporteur: Mr VAUGHAN

- Exchange of views and consideration of a working document, in the presence of the Member of the European Court of Auditors responsible, M. *Lazarou*

Mr LAZAROU delivered the speech in Annex I.

The rapporteur highlighted the fact that, over the programming period 2007-2013, ESF spending amounted to over EUR 75 billion, representing around 8% of the total EU budget. He considered that the Commission should put more emphasis on performance and results than on spending compliance assessment. Mr VAUGHAN called on Member States to design operational programmes that included performance indicators. He complained that definitions in Member States programmes were not aligned, so that, for instance, ages differed in Member States to define an old person.

Mr BALČYTIS (S&D, LT) considered that reliable data had to be provided by the Member States. The representative of the Commission pointed out that many of the CoA findings on result-oriented programmes had been included in the next ESF. He mentioned in particular an *ex ante* evaluation and a set of common indicators to apply in all Member States.

Mr VAUGHAN welcomed the new approach of the Commission proposal in term of performance indicators.

***Item 5 on the agenda***

**Special Report No 20/2012 (2012 Discharge) - Is Structural measures funding for municipal waste management infrastructure projects effective in helping Member States achieve EU waste policy objectives?**

CONT/7/12519

Rapporteur: Mr SKYLAKAKIS (ALDE, EL)

- Exchange of views and consideration of a working document, in the presence of the Member of the European Court of Auditors responsible, M. *Lazarou*

Mr LAZAROU delivered the speech in annex II.

The rapporteur pointed out that in 2010 each EU citizen generated on average 502 kg of municipal waste. The Court's findings showed varied and even poor performance on projects which received EU financial support for infrastructure in the field of municipal waste management through the European development fund and the cohesion fund and gave some examples taken from audited waste treatment plants.

Ms BRZOBOHATA (S&D, CZ) considered that waste land filling represented a loss both in economic and environmental terms and stressed the importance of awareness-raising campaigns that could enhance the quality of separate collection of waste. Mr RÜBIG warned against overcapacity in waste management plants. The representative of the Commission stressed the different competences of Member States and the Commission in selecting and implementing projects for waste management. He added that the design of future provisions had changed and that financing of plants would be submitted to ex ante conditionality, meaning that the specific project would be assessed in a wider policy framework, in order to ensure implementation of all EU waste legislation.

Mr SKYLAKAKIS considered that the Commission remained responsible for the spending of EU money also under shared management, as a guardian of the treaties.

### ***Item 6 on the agenda***

#### **Budgetary management of European Union pre-accession funds in the areas of judicial systems and the fight against corruption in the candidate and potential candidate countries**

CONT/7/05332

Rapporteur: Ms MACOVEI (PPE, RO)

- Consideration of draft report

The rapporteur underlined the importance of fighting corruption in candidate countries and the importance of effective and efficient use of funding in the rule of law sector.

She regretted that on average only 2,87% of the total EU pre-accession assistance envelope for the period 2007-2013 was devoted to justice and only 0,52% to the fight against corruption. She therefore called on the Commission to allocate more funds and stated that irreversibility of the rule of law situation had to be the aim and warned against lower attention to corruption after accession. She strongly disagreed with Mr KALFIN (S&D, BG), who was represented by Mr GEIER, according to whom other funds should be included under a wider scope of such assistance. In her view, this was only a way to introduce confusion in figures of EU funding. The representative of the Commission considered that peer pressure, dialogue and other instruments should be used to convince candidate countries to take a serious approach on rule of law issues.

Deadline for tabling amendments: 5 September 2013, 12.00

### ***Item 7 on the agenda***

#### **Coordinators' meeting (*in camera*)**

The item was not covered.

### ***Item 8 on the agenda***

#### **2011 discharge: EU general budget, European Council and Council**

CONT/7/12913

Rapporteur: Ms ČEŠKOVÁ (ECR, CZ)

- Consideration of draft report

At its meeting on 10 July 2013, CONT discussed its second draft report on the 2011 discharge to the Council and European Council (EP plenary had voted for the postponement of the 2011 Council discharge on 17 April 2013).

Ms CESKOVA (ECR, CZ) rapporteur, pointed out that the Council still refused to reply to the 52 questions put by CONT on the 2011 discharge.

She also recalled that meetings with the Irish presidency demonstrated two divergent interpretations of the Treaty provisions, since the Council considered that the EP was not allowed to check its accounts.

In her view, this was a political stalemate that could only be addressed through dialogue with the Lithuanian Presidency. Mr MULDER (ALDE, NL) also suggested that the LT presidency be invited to a CONT meeting.

Mr BALCYTIS (S&D, LT) expressed doubts that the LT presidency could succeed where all other presidencies had failed.

Mr SONDERGAARD (GUE, DK) considered that dialogue with Council presidencies was key, since their approach differed, and mentioned the example of the Swedish Presidency, which, in his view, had made steps in the right direction by providing some information through the Presidency website.

Mr AUDY (EPP, FR) disagreed with the approach of CONT on the Council discharge and stated that discharge was technically granted only to the Commission.

Nevertheless, he complained that civil servants inside the Council refused to provide the EP with answers to its legitimate questions. He invited the Council Secretariat to stop playing a stupid game and provide the information on the accounts. He also insisted that the Council and the European Council should have two separate discharges.

Ms GRÄSSLE (EPP, DE) strongly disagreed with Mr AUDY and insisted on the political importance of the issue. In her view, the EP should have already blocked the agreement on MFF to force the Council to provide the information. She suggested the 2014 budget as a next opportunity to convince the Council.

Ms CESKOVA welcomed the unity of the CONT members on this issue, suggested that the CONT chair invite the Lithuanian presidency to a meeting and expressed the view that next year the Council and the European Council should have two different discharges.

She announced that she would propose not granting discharge to the Council and the European Council, if no progress was made in the next months.

The deadline for tabling amendments was set on 5 September 2013, noon.

***Item 9 on the agenda***

**Special Report number 11/2012 (Discharge 2012) "Suckler cow and ewe and goat direct aids under partial implementation of SPS Arrangements"**

CONT/7/10665

Rapporteur: Mr GERBRANDY (ALDE, NL)

- Consideration of working document

The item was not discussed.

***Item 10 on the agenda***

**Special Report No 21/2012 (2012 discharge) - Cost-effectiveness of cohesion policy investments in energy efficiency**

CONT/7/11738

Rapporteur: Mr BALČYTIS (S&D, LT)

- Consideration of working document in the presence of the Member of the European Court of Auditors responsible, M. *Wögerbauer*

The rapporteur welcomed the Court's findings on the audit of four operational programmes and the Court's conclusions that cost-effective energy efficiency investments conditions had not been met. He referred in particular to the need to establish needs assessments at programme level, use of comparable performance indicators and transparent project-selection criteria. He stressed that such requirements were not requested at the time the audited projects had been carried out.

Mr Wögerbauer pointed out that this issue had been recently debated in the Council at length, welcomed the line of the rapporteur and looked forward to the Commission implementing the new goals in this sector. He agreed with Mr RÜBIG that this policy area could contribute to job creation, since it was labour intensive.

The Commission representative appreciated in particular the Court's wish to establish standard investment costs and supported the recommendation that EU financial assistance should be based on performance indicators. He thought practical guidance to Member States in this area was needed.

In his concluding remarks Mr BALČYTIS underlined that the renovation of a building included two aspects: savings in terms of energy efficiency and the general refurbishment leading to overall improvement of a building.

***Item 11 on the agenda***

**CONT delegation to Bohunice/Slovakia in the context of "Decommissioning of nuclear power plants" and "Systemic errors in EU funds controls and auditing (15 to 17 July 2013)**

CONT/7/11813

Head of the Delegation: Mr GEIER (S&D)

- Exchange of views on the preparation of the delegation

The rapporteur briefly reported on the visit to Slovakia. The planned visit to the Czech Republic had to be cancelled because of the political situation. In this context, he referred to the presentation of interim findings for a study on the decommissioning of nuclear power plant, in particular those of Soviet style. He agreed with Mr RÜBIG that total costs of dismantling a nuclear plant should also be addressed.

***Item 12 on the agenda***

**Any other business**

No other business was discussed.

***Item 13 on the agenda***

**Next meeting(s)**

- 16 September 2013, 15.00 – 18.30 (Brussels)
- 17 September 2013, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)



Honourable Chairman and Members of the Committee on Budgetary Control, it is my pleasure to present to you the European Court of Auditors' Special Report No 25/2012, "Are tools in place to monitor the effectiveness of European Social Fund spending on older workers?"

The rapporteur Mr Derek Vaughan in his working document presents a full picture of the Court's Special Report which allows for my presentation to be brief.

Mr Vaughan has highlighted all the key findings of the Court's report which are:

- the inconsistencies in the definition of "older workers" used in the Operational Programmes;
- the absence in a greater or lesser degree of quantitative data in the needs analysis making difficult the apprehension of the national or regional background;
- the very limited financial information on actions targeting the specific group "older workers" making it impossible to know how much funding has been allocated in the Operational Programmes to the increase of the employment of older workers; and
- the lack of relevant and reliable indicators to assess the performance of the actions carried out in favour of this population group.

The Court is pleased that Mr Vaughan welcomes the report and endorses its recommendations by inviting:

- the Member States to better integrate the performance issues when designing the monitoring and evaluation systems of the Operational Programmes for the next programming period; and
- the Commission to promote the recommendations when negotiating the new Operational Programmes and to ensure the submission of consistent and reliable information by the Member States.

Based on the findings of the Special Report, up until the current programming period, policy makers are not in position to establish the results and the impact of EU money spent in favour of the employment of older workers. This is a matter of concern because this population group and its employment rate have been specifically identified in strategic documents, namely the Lisbon Agenda and Europe 2020. It is also a matter of concern because even though the audit scope of this report was limited to the actions for older workers funded by the European Social Fund, there is no indication that the situation may be different for other actions funded by the European Social Fund.

In fact, several of the weaknesses identified in this Special Report regarding the design of the Operational Programmes and the monitoring process were also identified by the Court in its Special Report No. 17/2009 "Vocational training actions for women co-financed by the ESF" covering the previous (2000-2006) programming period.

In the current period of financial and economic crisis, the concept of "EU added value" is more than relevant and the effectiveness of EU policies is becoming much more important as with less spending we have to achieve more.

Thank you for your attention and I am now at your disposal to answer questions you may have.

Honourable Chairman and Members of the Committee on Budgetary Control, it is my pleasure to present to you the European Court of Auditors' Special Report No 20/2012, an assessment as to whether Structural Measures funding for waste management infrastructure projects is effective, i.e. whether it helps Member States to achieve the EU waste policy objectives.

The rapporteur Mr Theodoros Skylakakis in his working document presents a full picture of the Court's Special Report which allows for my presentation to be brief. The Court is pleased that Mr Skylakakis welcomes the report and endorses its recommendations.

As indicated by the Rapporteur, the audit showed that although in almost all the regions selected some improvements in the management of waste were observed, the effectiveness of structural measures funding was hampered by the poor implementation of supporting measures and by weaknesses in EU rules and guidelines:

- the performance of the co-financed infrastructure projects was highly dependent upon the existence of effective separate collection at source;
- only 25 % of the regions sampled achieved EU waste policy objectives, mainly those who put supporting informative, administrative and economic measures in place;
- the Commission did not encourage the implementation of those supporting measures when assessing operational programmes or projects.

As not only poor performing regions were selected in the sample, the audit work identified also good practices which resulted in concrete and practical recommendations for improvement which have been perfectly summarised by the rapporteur in his working document.

As a result, I will only highlight the three recommendations that we consider the most important.

First - Member States should focus on separate collection implementation (including biodegradable waste when cost-effective) and introduce economic instruments in the management of waste so as to promote waste prevention and recycling, particularly through a waste disposal tax and "pay as you throw" schemes.

Second - the Commission should make the EU contribution subject to the implementation of the above mentioned recommendation by the Member States and apply the "polluter pays principle", and

Third - the Parliament, together with the Commission and the Council should consider linking EU financial support to the achievement of EU waste policy objectives.

Mr Chairman and Members of the CONT Committee, I would like to underline that the Special Report not only points out a number of challenges that the Commission and the Member States are facing in the management of waste, but also highlights ways of addressing these challenges. EU funds have been partly spent on projects which are not effective i.e. which are not significantly helping Member States to achieve the EU waste policy objectives. If the appropriate supporting measures are required by the Commission and implemented by Member States, not only we will be ensuring well performing new waste management projects, but we will also be improving the performance of existing infrastructure.

To complete my intervention, there is a significant interest for the taxpayers to have not only effective, but also appropriate “value for money” waste management systems to safeguard the environment and to promote sustainable development. Furthermore, in the current period of financial and economic crisis, we should seize the opportunity to turn waste into a source of raw materials and energy, and the waste management industry into a sector for job creation.

Thank you for your attention and I am now at your disposal to answer questions you may have.

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