



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 21 March 2012**

**7999/12**

**CMPT 12  
PE 116  
INST 230  
FIN 222**

**NOTE**

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from:	General Secretariat of the Council
to:	Delegations
Subject:	Summary record of the meeting of the European Parliament <b>Committee on Budgetary Control (CONT)</b> , held in Brussels on 20 March 2012

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\*\*\* *Electronic vote* \*\*\*

- 1. Staff Regulations of Officials and Conditions of Employment of Other Servants of the EU**  
CONT/7/08220, 2011/0455(COD)  
Responsible: JURI – Dagmar Roth-Behrendt (S&D)

The report for opinion by Ms Gräßle (PPE, DE) was adopted, as amended, with 26 votes in favour, 1 vote against and 2 abstentions.

103 amendments were tabled and the position of the rapporteur was largely endorsed by the Committee, with some exceptions. One of these was Ms Gräßle's amendment requiring a declaration on honour that the official had not worked for the intelligence services, which was rejected, although it had been agreed with Ms Roth-Behrendt (R&D, DE), rapporteur responsible at JURI.

Instead, the Committee endorsed her amendment extending the period required between automatic advancements (from two to three years) and ruling out automatic advancement above grade 12. An oral amendment on flexitime (inter alia ruling it out above grades AD/AST 9) was adopted by 16 votes to 13. The amendments reducing the number of public holidays and combining professional training courses with rest leave were also adopted by the same majority. A compromise amendment on whistleblowers was adopted by a large majority, while a compromise was not reached on an amendment concerning conflict of interests: a very tight majority approved the introduction of a 'declaration of interest' for newly appointed officials, as proposed by Ms Macovei (EPP, RO), supported by the rapporteur. The principle of organising internal competitions open to contract staff suggested by the Commission was endorsed, as an amendment opposing it - tabled by Ms Ivanova (EPP, BG) - was rejected by 20 votes to 9. An oral amendment by Ms Gräßle requiring that such internal staff prove that they were able to carry out their duties in at least 3 languages, aligning the requirements with the conditions for officials, was adopted by a very tight majority of 15 votes to 14.

The vote in the JURI Committee is scheduled for the meeting on 25-26 April 2012.

\*\*\* *End of electronic vote* \*\*\*

## **2. 2010 discharge: EU general budget, Section III, Commission**

CONT/7/06929, 2011/2201(DEC)

Responsible: CONT –

Mr Fjellner (PPE, SE), rapporteur, considered that the content of the first report from the Commission satisfied the requirements laid down in Article 318 TFEU, but not its spirit. He asked for more information concerning the achievements, the contribution of the internal auditors to it and whether the Commission would cooperate more fully with Member States in assessing the results of EU spending. Mr Chatzimarkakis (ALDE, DE) criticised the lack of performance indicators that might provide more evidence of the achievements. Mr Staes (Greens, BE) added that the report only covered some areas of EU financing, in particular research and development, education and culture, while Mr Mulder asked the Commission to disclose annual summaries from Member States on their financial management and criticised the idea that they should be kept confidential.

Ms Day, Secretary-General of the European Commission, explained that, rather than summarising existing reports in a compendium, the Commission had focused on some areas because it wanted to comply with Article 318 TFEU in a fresh way that might allow a policy debate. She answered to Mr Staes that evaluation reports covering all areas were already prepared by the Commission and are available on the web. She added that moving away from entitlement towards a result-headed policy was a long process which required cooperation from Member States, and she assured the Committee that progress was being made. As for the timing of the report, she announced that the second one would be ready next November, although she admitted that tying it in perfectly with the discharge exercise would not be possible. She told Mr Mulder that 15 reports from Member States which had agreed to disclose them had been passed on to the EP. In reply to Mr Gerbrandy (ALDE, NL) who inquired about the evaluation of the added value of EU financing, Ms Day pointed out that this evaluation was addressed in a report the Commission published along with the multiannual financial framework proposal. She agreed with Mr Balcytis (S&D, LT) on the importance of education and explained that, thanks to two targets in the Europe 2020 strategy, each Member State could now be asked to comply with them.

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**3. European Court of Auditors Special Report 2/2012 - Financial engineering instruments for SMEs cofinanced by the European Regional Development Found (ERDF)**  
CONT/7/08971

Mr Noack, Member of the European Court of Auditors responsible for the report, presented the main conclusions and recommendations contained in the Special Report, the objective of which was to assess whether the ERDF spending on Financial Engineering Instruments (FEI) for the SMEs was effective and efficient. He explained that, as a result, three main shortcomings were identified, namely the lack of quality of the SME financing gap assessments, the unsuitability of the legal framework (Structural fund regulations being originally designed for grants), and widespread delays in the implementation of FEI across Member States. The Court recommended pursuing the development of the FEI, but under the condition that an adequate regulatory framework was put in place and a robust quantified assessment of the SMEs financing gap was conducted.

Mr Rivellini (PPE, IT), rapporteur, considered that FEI are useful and favour economic growth, particularly in time of crisis. Nevertheless he considered that, following the ECA special report, more specific information was needed on a number of points, including the leverage and multiplying effect of the FEI, the ex-ante assessment of the financing gap and the setting of the indicators used to measure their performance.

He also criticised the lack of an appropriate legal framework and highlighted the amendments he tabled - together with Ms Gräßle - to Title 8 of the Financial Regulation in order to alleviate legal uncertainty. He also inquired about the operational and management costs of the FEI. Ms Ayala Sender considered that FEI do not seem to attract enough private capital, while Ms Gräßle stated that they should not be looked at as a panacea. Mr Noack replied that FEI present some problematic aspects, and that they should be used only when appropriate and within the proper legal framework. He considered that some FEI such as loans or grants would be more suitable for some less developed regions or Member States that lack financing know-how. The representative of the Commission highlighted the important role of FEI in cohesion policy, as they make it possible to mobilise more resources for growth and jobs by pooling funds from the private sector. He considered that their cost/benefit ratio in cohesion regions should be assessed in the long term and explained that the preference given to private sector financing was meant to attract it. He assured the Committee that experience was growing and recalled that some 400 FEI funds had been created up to now. As for action already taken to address the various problems quoted by MEPs, he mentioned that enhanced audit work had already started and better information on the use of the FEI was expected to be provided by MS by the end of this year (although on a voluntary basis). He informed that the next action would include laying down a legal framework for the FEI, within the Financial Regulation. He told Ms Gräßle that FEI may give rise to losses, but, unlike a grant scheme, they presented the advantage that money could also flow back. He agreed with Mr Geier (S&D, DE) that the Council should help shape a better regulation. As for the effectiveness of FEI, he told Mr Mulder that this was not an easy task, as opinions diverged on whether to consider as nominator only EU funds or all public funds. He concluded that the next MFF should make this information available, thanks to a better reporting, monitoring and evaluation framework.

#### **4. CONT delegation to Haiti (22 to 26 February 2012)**

CONT/7/07896

Head of the delegation: Ingeborg Gräßle (PPE)

This item was not discussed.

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#### **5. Next meeting(s)**

- 26 March 2012, 15.00 – 18.30 (Brussels)
- 27 March 2012, 9.00 – 12.30 and 15.00 – 18.30 (Brussels)