



ZAPISNIK

sa sjednice od 17. listopada 2024., 9:00 – 12:00 i 14:30 – 17:30

BRUXELLES

Sjednica je započela u četvrtak 17. listopada 2024. u 9:07. Predsjedala joj je druga potpredsjednica Caterina Chinnici. Predsjednik Niclas Herbst preuzeo je predsjedanje u 11:19.

17. listopada 2024., 9:00 – 12:00

1. Usvajanje dnevnog reda

Prijedlog dnevnog reda usvojen je u obliku navedenom u ovom zapisniku.

Zastupnik Tamás Deutsch predložio je izmjenu prijedloga dnevnog reda i dodavanje glasovanja o četvrtom potpredsjedniku na dnevni red. Prijedlog je odbijen većinom glasova.

2. Priopćenja predsjedateljice

Predsjedateljica je zastupnicima skrenula pozornost na informacije iz biltena odbora CONT.

3. Usvajanje zapisnika

- 4. i 5. rujna 2024.

PV – PE763.263v01-00

Zapisnik je usvojen.

4. Razrješnica za 2023.: Opći proračun EU-a – Komisija

CONT/10/00520

2024/2019(DEC)

COM(2024)0272[01] – C10-0067/2024

Izvjestitelj:

Niclas Herbst (PPE)

Nadležni odbor:

CONT

- Razmjena gledišta s glavnim direktorima Komisije o njihovim godišnjim izvješćima o radu (AAR):

Govorili su: Caterina Chinnici, Céline Gauer (Europska komisija, SG RECOVER), Maarten Verwey (Europska komisija, DG ECFIN), Maria Grapini, Tamás Deutsch, Dick Erixon, Jonas Sjöstedt, Dirk Gotink, Alexander Jungbluth, Grzegorz Braun, Marc Lemaître (Europska komisija, DG RTD), Eero Heinäluoma, Timo Pesonen (Europska komisija, DG DEFIS), Beate Gminder (Europska komisija, DG HOME).

Sjednica je prekinuta u 12:18.

Sjednica je nastavljena u 14:35.

17. listopada 2024., 14:30 – 17:30

5. Razrješnica za 2023.: Opći proračun EU-a – Komisija

CONT/10/00520

2024/2019(DEC) COM(2024)0272[01] – C10-0067/2024

Izvjestitelj:

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Nadležni odbor:

CONT

- Razmjena gledišta s glavnim direktorima Komisije o njihovim godišnjim izvješćima o radu (AAR):

Govorili su: Stéphanie Riso (Europska komisija, DG BUDG), Niclas Herbst, Jorge Sanchez Martinez, Daniel Freund, Bert-Jan Ruissen, Grzegorz Braun, Wolfgang Burtscher (Europska komisija, DG AGRI), José Cepeda, Gerben-Jan Gerbrandy, Mario Nava (Europska komisija, DG EMPL), Koen Doens (Europska komisija, DG INTPA).

17. listopada 2024., 17:30 – 18:30

6. Europski revizorski sud (ECA), Tematsko izvješće 06/2024: Instrument EU-a za izbjegljice u Turskoj

CONT/10/01137

- Predstavljanje tematskog izvješća koje je održala Bettina Jakobsen (članica Europskog revizorskog suda).

Govorili su: Bettina Jakobsen (Europski revizorski sud), Francisco Joaquin Gaztelu Mezquiriz (Europska komisija, DG NEAR), Niclas Herbst, Marit Maij, Jorge Sanchez Martinez.

7. Razno

8. Datum sljedeće sjednice

4. i 5. studenoga 2024. (Bruxelles)

11. i 12. studenoga 2024. (Bruxelles)

Sjednica je završila u 18:04.

**ПРИСЪСТВЕН ЛИСТ/LISTA DE ASISTENCIA/PREZENČNÍ LISTINA/DELTAGERLISTE/
ANWESENHEITSLISTE/KOHALOLIJATE NIMEKIRI/KATAΣΤΑΣΗ ΠΑΡΟΝΤΩΝ/RECORD OF ATTENDANCE/
LISTE DE PRÉSENCE/POPIS NAZOČNIH/ELENCO DI PRESENZA/APMEKLĒJUMU REĢISTRŠ/DALYVIŲ SAŖAŠAS/
JELENĹĹTI İV/REGİSTRU TA' ATTENDENZA/PRESENTIELIJST/LISTA OBECNOŠCI/LISTA DE PRESENÇAS/
LISTĂ DE PREZENȚĂ/PREZENČNĂ LISTINA/SEZNAM NAVZOČIH/LĂSNĂOLOLISTA/NĂRVAROLISTA**

Бюро/Mesa/Předsednictvo/Formandskabet/Vorstand/Juhatus/Προεδρείο/Bureau/Predsjedništvo/Ufficio di presidenza/Prezidijs/ Biuras/Elnökség/Prezidium/Birou/Predsednictvo/Predsedstvo/Puheenjohtajisto/Presidiet (*)
Niclas Herbst (P), Caterina Chinnici (VP1).
Членове/Diputados/Poslanci/Medlemmer/Mitglieder/Parlamendiliikmed/Βουλευτές/Members/Députés/Zastupnici/Deputati/Deputāti/ Nariai/Képviselek/Membri/Leden/Posłowie/Deputados/Deputați/Jäsenet/Ledamöter
Georgios Aftias, Tamás Deutsch, Dick Erixon, Daniel Freund, Gerben-Jan Gerbrandy, Virginie Joron, Alexander Jungbluth, Kinga Kollár, Marit Maij, Jacek Protas, Julien Sanchez, Jonas Sjöstedt.
Заместници/Suplentes/Náhradníci/Stedfortrædere/Stellvertreter/Asendusliikmed/Αναπληρωτές/Substitutes/Suppléants/Zamjenici/ Supplenti/Aizstājēji/Pavaduojantysnariai/Pötagok/Sostituti/Plaatsvervangers/Zastępcy/Membros suplentes/Supleanți/Náhradníci/ Namestniki/Varajäsenet/Suppleanter
Grzegorz Braun, Paulo Cunha, Dirk Gotink, Maria Grapini, Eero Heinäluoma, Verena Mertens, Bert-Jan Ruissen.

216 (7)
222 (3)
57 (8) (Точка от дневния ред/Punto del orden del día/Bod pořadu jednání (OJ)/Punkt på dagsordenen/Tagesordnungspunkt/ Päevakorra punkt/Σημείο της ημερήσιας διάταξης/Agenda item/Point OJ/Τοčka dnevnog reda/Punto all'ordine del giorno/Darba kārtības punkts/Darbotvarkēs punktas/Napirendi pont/Punt Agenda/Agendapunt/Punkt porządku dziennego/Ponto OD/Punct de pe ordinea de zi/Bod programu schůdze/Točka UL/Esityslistan kohta/Punkt på föredragningslistan)

По покана на председателя/Por invitación del presidente/Na pozvání předsedy/Efter indbydelse fra formanden/Auf Einladung des Vorsitzenden/Esimehe kutsel/Με πρόσκληση του Προέδρου/At the invitation of the Chair/Sur l'invitation du président/ Na poziv predsjednika/Su invito del presidente/Pēc priekšsēdētāja uzaicinājuma/Pirmininkui pakvietus/Az elnök meghívására/ Fuq stedina tač-'Chairman'/Op uitnodiging van de voorzitter/Na zaproszenie Przewodniczącego/A convite do Presidente/La invitația președintelui/ Na pozvanie predsedu/Na povabilo predsednika/Puheenjohtajan kutsusta/På ordförandens inbjudan

Съвет/Consejo/Rada/Rådet/Rat/Nöukogu/Συμβούλιο/Council/Conseil/Vijeće/Consiglio/Padome/Taryba/Tanács/Kunsill/Raad/ Conselho/Consiliu/Svet/Neuvosto/Rådet (*)

Комисия/Comisión/Komise/Kommissionen/Kommission/Komisjon/Επιτροπή/Commission/Komisija/Commissione/Bizottság/ Kummissjoni/Commissie/Komisja/Comissão/Comisie/Komisia/Komissio/Kommissionen (*)

Wolfgang Bartscher, Koen Doens, Céline Gauer, Francisco Joaquin Gaztelu Mezquiriz, Beate Gminder , Marc Lemaître, Mario Nava, Timo Pesonen, Maarten Verwey.

Други институции и органи/Otras instituciones y organismos/Ostatní orgány a instituce/Andre institutioner og organer/Andere Organe und Einrichtungen/Muud institutsioonid ja organid/Λοιπά θεσμικά όργανα και οργανισμοί/Other institutions and bodies/Autres institutions et organes/Druge institucije i tijela/Altre istituzioni e altri organi/Citas iestādes un struktūras/Kitos institucijos ir įstaigos/ Más intézmények és szervek/Istituzjonijiet u korpi oħra/Andere instellingen en organen/Inne instytucje i organy/Outras instituições e outros órgãos/Alte instituții și organe/Iné inštitúcie a orgány/Muut toimielimet ja elimet/Andra institutioner och organ

ECA

Bettina Jakobson

Секретариат на политическите групи/Secretaría de los Grupos políticos/Sekretariát politických skupin/Gruppenes sekretariat/ Sekretariat der Fraktionen/Fraktsioonide sekretariaat/Γραμματεία των Πολιτικών Ομάδων/Sekretariats of political groups/Secrétariat des groupes politiques/Ταμνεία του κλιμακωτού εκπαιδευτικού/Segreteria gruppi politici/Politisko grupu sekretariāts/Frakciju sekretoriai/ Képviseletcsoportok titkársága/Segretarjat gruppi politiçi/Fractiesekretariaten/Sekretariat Grup Politycznych/Sekretariado dos grupos políticos/Secretariate grupuri politice/Sekretariát politických skupin/Sekretariat poliitičnih skupin/Poliitisten ryhmién sihteeristö/ De politiska grupernas sekretariat	
PPE S&D PflE ECR Renew Verts/ALE The Left ESN NI	

Кабинет на председателя/Gabinete del Presidente/Kancelář předsedy/Formandens Kabinet/Kabinet des Präsidenten/Presidendi kantseleri/Γραφείο του Προέδρου/President's Office/Cabinet du Président/Ured predsednika/Gabinetto del Presidente/Priekšsēdētāja kabinets/Pirmininko kabinetas/Elnöki hivatal/Kabinett tal-President/Kabinet van de Voorzitter/Gabinet Przewodniczącego/Gabinete do Presidente/Cabinet Preşedinte/Kancelária predsedu/Urad predsednika/Puhemiehen kabinetti/Talmannens kansli	
Кабинет на генералния секретар/Gabinete del Secretario General/Kancelář generálního tajemníka/Generalsekretærens Kabinet/ Kabinett des Generalsekretärs/Peasekretäri büroo/Γραφείο του Γενικού Γραμματέα/Secretary-General's Office/Cabinet du secrétaire général/Ured glavnog tajnika/Gabinetto del Segretario generale/Generalsekretära kabinets/Generalinio sekretoriaus kabinetas/ Főtitkári hivatal/Kabinett tas-Segretarju Ġenerali/Kabinet van de secretaris-generaal/Gabinet Sekretarza Generalnego/Gabinete do Secretário-Geral/Cabinet Secretar General/Kancelária generálneho tajomníka/Urad generalnega sekretarja/Pääsihteerin kabinetti/ Generalsekreterarens kansli	
Генерална дирекция/Dirección General/Generální ředitelství/Generaldirektorat/Generaldirektion/Peadirektoraat/Γενική Διεύθυνση/ Directorate-General/Direction générale/Glavna uprava/Direzione generale/Generāldirektorāts/Generalinis direktoratas/Főigazgatóság/ Direktorat Ġenerali/Direktoraten-generaal/Dyrekcja Generalna/Direcção-Geral/Direcții Generale/Generálne riaditeľstvo/Generalni direktorat/Pääosasto/Generaldirektorat	
DG PRES DG IPOL DG EXPO DG EPRS DG COMM DG PART DG PERS DG INLO DG TRAD DG LINC DG FINS DG ITEC DG SAFE Legal Service	M. Strasser (Director for Budgetary Affairs), E. Waldherr (Head of Unit).

- * (P) = Председател/Presidente/Předseda/Formand/Vorsitzender/Esimees/Πρόεδρος/Chair/Président/Predsjednik/Priekšsēdētājs/
Pirmininkas/Elnök/Chairman/Voorzitter/Przewodniczący/Preşedinte/Predseda/Predsednik/Puheenjohtaja/Ordförande
- (VP) = Заместник-председател/Vicepresidente/Místopředseda/Næstformand/Stellvertretender Vorsitzender/Aseesimees/Αντιπρόεδρος/
Vice-Chair/Potpredsjednik/Vice-Président/Potpredsjednik/Priekšsēdētāja vietnieks/Pirmininko pavaduotojas/Alelnök/ Viči
'Chairman'/Ondervoorzitter/Wiceprzewodniczący/Vice-Presidente/Vicepreşedinte/Podpredseda/Podpredsednik/
Varapuheenjohtaja/Vice ordförande
- (M) = Член/Miembro/Člen/Medlem/Mitglied/Parlamendiliige/Βουλευτής/Member/Membre/Član/Membro/Deputāts/Narys/Képviselő/
Membru/Lid/Członek/Membro/Membru/Člen/Poslanec/Jäsen/Ledamot
- (F) = Длъжностно лице/Funcionario/Úředník/Tjenestemand/Beamter/Ametnik/Υπάλληλος/Official/Fonctionnaire/Dužnosnik/
Funzionario/Ierēdnis/Pareigūnas/Tisztviselő/Ufficial/Ambtenaar/UrządNIK/Funcionário/Funcionar/Úradník/Úradnik/Virkamies/
Tjänsteman

NEWSLETTER

COMMITTEE MEETING
THURSDAY 17 OCTOBER 2024
09:00 - 12:00 and 14:30 - 18:30
BRUSSELS, ANTALL 6Q-2

Thursday, 17 October 2024, 9.00-12.00

1. ADOPTION OF AGENDA

2. CHAIR'S ANNOUNCEMENTS

The Chair draws attention to the following points:

Interpretation was requested in the following languages:

DE EN FR IT NL EL ES PT SV CS HU PL and RO

The meeting will be web-streamed and can be followed [live](#).

3. APPROVAL OF MINUTES OF MEETINGS

- 4-5 September 2024 PV – PE763.263v01-00

4. 2023 DISCHARGE: GENERAL BUDGET OF THE EU - COMMISSION

CONT/10/00520

[2024/2019\(DEC\)](#)

Exchanges of views with the Directors-General of the Commission on their Annual Activity Reports (AAR):

- Ms **Céline Gauer**, Director-General for Recovery & Resilience Task Force (SG RECOVER)
- Mr **Maarten Verwey**, Director-General for Economic and Financial Affairs (DG ECFIN)
- Mr **Marc Lemaître**, Director-General for Research and Innovation (RTD)
- Mr **Timo Pesonen**, Director-General for Defence Industry and Space (DEFIS)
- Ms **Beate Gminder**, Acting Director-General for Migration and Home Affairs (HOME)



Rapporteur: [Niclas Herbst](#) (EPP)

Administrators: Kaare Barslev, Benoît Lefort, Hans Stander, Anna Zsoldos

Shadow Rapporteurs: **José Cepeda** (S&D), **Tamás Deutsch** (PfE), **Olivier Chastel** (Renew), **Daniel Freund** (Greens), **Pasquale Tridico** (The Left)

Opinions: FEMM, DEVE, CULT, AFET, PECH, AGRI, ENVI, EMPL, ITRE, JURI, LIBE, TRAN, REGI

A fixed item in the discharge for the implementation of the EU Budget by the Commission and executive agencies is the exchange of views with a number of Directors-General of the European Commission on their Annual Activity Reports for the year under review. The invited Directors-General have been chosen because they work on policy areas deemed interesting and relevant for the 2023 discharge by the Rapporteur, and for which later this year hearings with the associated Commissioners will take place.

The exchange of views with the Directors-General serves as a first discussion on these policy areas and to get information on reservations in their respective annual reports. The topics to be discussed cover financial management, including reservations and error rates, as well as performance-related aspects such as contribution to the Green Deal objectives.

For the 2023 discharge, the Rapporteur has selected the Directors-General of BUDG, AGRI, DFIS, ECFIN, EMPL, HOME, RTD and SG RECOVER.

Exchange of views with Ms Céline Gauer, Director-General, Recovery & Resilience Task Force (SG RECOVER), and Mr Maarten Verwey, Director-General for Economic and Financial Affairs (DG ECFIN) on the RRF

The key event in 2023 was the revision of the 27 Recovery and Resilience Plans (RRPs) and their assessment by the Commission. Increased energy prices, high inflation and supply chain disruptions caused by Russia's unprovoked war of aggression against Ukraine, and, in some cases, natural disasters, made it challenging for Member States to implement certain reforms and investments in their RRPs.

SG RECOVER reported that the implementation of the RRF was "on track" as of end-2023. The revision of the plans had an impact on the pace of implementation of the existing plans. Still, implementation on the ground continued to progress throughout 2023, with the number of payment requests submitted by the end of 2023 doubling from 27 to 54 and with the achievement of most milestones and targets in line with initial expectations.

In 2023, the Commission disbursed a total of EUR 75 billion (out of which EUR 28.7 billion was in loans) and

additional pre-financing payments of EUR 7.1 billion. This brought the total disbursements by the end of 2023 to EUR 220.8 billion, divided into EUR 141.6 billion in grants (40% of the total EUR 357 billion for grants under the RRF envelope) and EUR 79.2 billion in loans (27% of the total EUR 291 billion for loans under the RRF envelope).

In 2023, the Commission also continued to bring clarifications to the way the design of the Facility is interpreted through (1) a framework for assessing the satisfactory fulfilment of the milestones and targets upon conducting the assessment, published in February 2023; (2) a methodology to determine the amount to be suspended if a milestone or target is not satisfactorily fulfilled; (3) a framework for the application of the provision related to the reversal of milestones and targets under the facility; and (4) updated "Guidance on RRFs" following the ECOFIN Council Conclusions of April 2024 on the Facility's mid-term evaluation.

The Commission's Internal Audit Service, in its audit on ex-ante controls of the RRF payment requests, recommended that DG ECFIN, in cooperation with SG RECOVER, develop the existing guidance for cases where DG ECFIN asks Member States to make additional commitments concerning actions stemming from milestones on audit and control.

Based on its ex-post audits on milestones and targets, the Commission found no evidence that the audited milestones and targets were not satisfactorily fulfilled.

Exchange of views with Marc Lemaître, Director-General for Research and Innovation (DG RTD)

DG RTD is responsible for EU policy on research, science and innovation with a view to help create growth, jobs, tackle our biggest societal challenges and secure the EU's technological sovereignty. In 2023, DG RTD managed a budget of EUR 1.8 billion.

In 2023, DG RTD has continued to contribute to the implementation of the Horizon Europe framework programme and the Euratom Research and Training programme. The European Research Council (ERC) and the European Innovation Council (EIC) have supported the development of fundamental science and deep tech innovation in Europe, while the EU Missions and the European Partnerships have provided means to address societal challenges and foster Europe's industrial leadership.

Concerning financial management, in its Annual Activity Report 2023, DG RTD reports it has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. The DG identified that improvements are necessary concerning the definition of clearer requirements on implementation of Horizon Europe lump sum grants, the assessment of the financing capability of Mission cities, the detailing of governance arrangements for EU Missions, and the analysis and (internal) reporting of the root causes of errors in relation to ECA's findings. The DG reports an overall estimated error rate (risk at payment) of 1.93%, while it estimates the risk at closure (after applying and adjustment on the basis of corrections and recoveries) to be 1.37%. For 2023, the DG did not issue a reservation. In its Annual Activity Report 2022, DG RTD issued a reservation following the criticality of the IAS report on the design and early implementation of the EIC. This reservation has been lifted as the relevant IAS recommendations have been addressed by the end of 2023.

Exchange of views with Timo PESONEN, Director-General for Defence Industry and Space (DG DEFIS)

DG DEFIS develops and carries out the Commission's policies on defence industry and space. DG DEFIS is responsible for a total budget of EUR 24.74 billion for 2021-2027.

In 2023, the main achievements of DG DEFIS included:

- The Act in Support of Ammunition Production (ASAP), backed by a budget of EUR 500 million, aims to improve and expedite the EU's ammunition and missile production. 31 projects covering five areas (explosives, powder, shells, missiles, and testing and reconditioning certification) were selected to assist European industry in increasing its ammunition production and readiness.

- The European Defence Industry Reinforcement through Common Procurement Act (EDIRPA), with a budget of EUR 310 million, which aims to motivate EU Member States to jointly purchase critical defence products from the EU defence industry.
- The adoption of a joint communication on the EU Space Strategy for Security and Defence, recognising space as a strategic domain for the EU.
- DG DEFIS prepared in 2023 the first classified reports of the EU Observatory of Critical Technologies (OCT) for civil-defence-space industries, focusing on electronic components and autonomous systems.

In its Annual Activity Report 2023, DG DEFIS did not report any reservations. The DG reports an overall estimated error rate (risk at payment) of 0.65%, while it estimates the risk at closure (after applying an adjustment on the basis of corrections and recoveries) to be 0.65%. DG DEFIS has assessed its internal control system during the reporting year and has concluded that it is effective, and the components and principles are present and functioning well overall. However, some improvements are needed as minor deficiencies were identified regarding the timeline for implementing remedial actions following recommendations from IAS or ECA.

Exchange of views with *Beate GMINDER, Acting Director-General for Migration and Home Affairs (DG HOME)*

DG HOME is responsible for EU policy, legislation, and operational action in the fields of security, borders and migration. In 2023, DG HOME managed a budget of EUR 4.3 billion, mainly through three funds: the Asylum, Migration and Integration Fund (AMIF), the Border Management and Visa Policy Instrument (BMVI) and the Internal Security Fund (ISF).

In 2023, DG HOME continued supporting border control and addressing migration pressure. The DG contributed to the adoption of the Pact on Migration and Asylum. With Russia's war of aggression still continuing, DG HOME has tabled a proposal to further extend temporary protection until March 2025. The BMVI's Thematic Facility was used in 2023 to invest nearly EUR 448 million in boosting Member States' border management capabilities.

In its Annual Activity Report 2023, the DG reports an overall estimated error rate (risk at payment) of 1.13%, while it estimates the risk at closure (after applying an adjustment on the basis of corrections and recoveries) to be 1.02%. DG HOME concluded that improvements are necessary to address audit recommendations and internal control weaknesses, and committed to remedying these, among others, through training and the timely implementation of IAS and ECA audit recommendations. The Acting DG issued two reservations on her Declaration of Assurance:

1) Shared management – Reservation concerning AMIF and ISF 2014-2020 in several Member States: with non-quantifiable reservations for six countries (Finland for AMIF/ISF, Estonia AMIF/ISF, Germany for ISF, Ireland for ISF, Bulgaria for ISF, France for AMIF/ISF) and a quantifiable reservation for the Iceland ISF programme.

2) Shared management – Reservation concerning BMVI 2021-2027 in one Member State: this concerns Finland (financial impact estimated as EUR 637 900.84).

All the relevant documents can be found on the [CONT website](#).

CONT Timetable

Event	Body	Date
Deadline for Opinion-giving Committees	FEMM, DEVE, CULT, AFET, PECH, AGRI, ENVI, EMPL, ITRE, JURI, LIBE, TRAN, REGI	28 February 2025
Consideration in Committee	CONT	17-18 February 2025
Deadline for Amendments	CONT	21 February 2025, 12:00
Vote in Committee	CONT	7-8 April 2025

Thursday, 17 October 2024, 14.30-17.30

5. 2023 DISCHARGE: GENERAL BUDGET OF THE EU - COMMISSION

CONT/10/00520

[2024/2019\(DEC\)](#)

Exchange of views with the Directors-General of the Commission on their Annual Activity Reports (AAR):

- Ms **Stéphanie Riso**, Director-General for Budget (DG BUDG)
- Mr **Wolfgang Burtscher**, Director-General for Agriculture and Rural Development (DG AGRI)
- Mr **Mario Nava**, Director-General for Employment, Social Affairs and Inclusion (EMPL)
- Mr **Koen Doens**, Director-General for International Partnerships (INTPA)



Rapporteur:

[Niclas Herbst](#) (EPP)

Administrators: Kaare Barslev, Benoît Lefort, Hans Stander, Anna Zsoldos

Shadow Rapporteurs: **José Cepeda** (S&D), **Tamás Deutsch** (Pfe), **Olivier Chastel** (Renew), **Daniel Freund** (Greens), **Pasquale Tridico** (The Left)

Opinions: FEMM, DEVE, CULT, AFET, PECH, AGRI, ENVI, EMPL, ITRE, JURI, LIBE, TRAN, REGI

Exchange of views with [Stéphanie Riso](#), Director-General for Budget (DG BUDG)

DG BUDG is the horizontal Commission service in charge of all budgetary matters, on both the expenditure and the revenue side of the budget. On the expenditure side, DG BUDG handles the annual budgets and is key in the Commission's work on the MFF. In 2023, DG BUDG:

- Proposed a revision of the 2021-2027 MFF in June, which led to an agreement on a revision of the MFF in early 2024;
- Contributed to the setting-up of the Ukraine Facility of EUR 50 billion for 2024-2027 as part of the revision of the MFF;
- Put forward a second set of proposals for new own resources including revisions concerning the Carbon Border Adjustments Mechanism (CBAM) and the Emissions Trading System (ETS);
- Raised EUR 115.9 billion in bonds primarily to disburse funds under the Recovery and Resilience Facility. Of these up to EUR 12.5 billion were issued as green bonds. The bond issuing was changed so that all borrowing operations have been integrated into a unified funding approach whereby the Commission is now issuing EU-Bonds rather than bonds to individual programmes;
- Assisted in the finalisation of the negotiations on the recast of the Financial Regulation;

The ECA has given a clean opinion on the revenue side of the budget but continues to mention that there is a "customs gap" stemming from customs duties not being declared or being declared incorrectly and that there is insufficient progress in implementing the Commission's Customs Action Plan.

Exchange of views with [Wolfgang Burtscher](#), Director-General for Agriculture and Rural Development (DG AGRI)

DG AGRI is most notably responsible for the implementation of the Common Agricultural Policy (CAP), together with the Member States. The year 2023 was the first year of the implementation of the CAP 2023-

2027, with all Strategic Plans, which set out the activities each Member States is going to perform, in place. The CAP 2023-2027 is performance based, which means that payments from the Commission to the Member States are based on the achievements of the activities performed in the Member States. These achievements are assessed by the Commission in a performance clearance procedure. The actual amount paid in 2023 and subject to this procedure was EUR 63.7 million (of a total of EUR 57.5 billion for the entire CAP). This illustrates the start of the performance-based payments in 2023, and that will accelerate from 2024. Monitoring the performance of the CAP will then be increasingly important for the discharge procedure.

The CAP has a robust management and control system for the implementation and oversight of EU funds. Especially for direct payments to farmers (in 2023, EUR 38.1 billion or 66% of CAP expenditure), the control system is well-established and makes sure that the funds reach the final beneficiaries in almost full compliance with EU and national rules. Other expenditure areas under the CAP, such as rural development and market measures, are more error prone, but overall the DG estimates the risk at payment at 1.87% and the risk at closure (after applying financial corrections) at 0.53%.

Exchange of views with Mario Nava, Director-General for Employment, Social Affairs and Inclusion (DG EMPL)

DG EMPL reported to have progressed well on its policy objectives: completion of 74 of the 75 initiatives announced in the European Pillar of Social Rights action plan, legislative work on the package for the Working Time Directive, continued implementation of the European Social Fund, with among other things the introduction of enhanced flexibility of the 2014-2020 cohesion policy rules, and 14.2 million Europeans receiving food assistance through the Fund for European Aid for the Most Deprived.

The DG reported that all programmes from the 2007-2013 period are (pre-)closed. For the programmes of the 2014-2020 period, the DG reported that in 2023 EUR 10.3 billion was paid to ESF programmes and EUR 6 billion to REACT-EU programmes (which were additional funds made available under ESF), resulting in an absorption rate for ESF of 87% for the 2014-2020 programming period. For the 2021-2027 programming period the DG reports that implementation has started, with all ESF+ co-financed programmes having been adopted (except for one). Overall absorption for this programming period is still low.

The DG dedicates a specific part of its AAR to the application of the enabling conditions. These are horizontal and thematic conditions that Member States need to fulfill, and that are prerequisites for the effective and efficient implementation of the funds managed under the Common Provisions Regulation. The fulfilment of these conditions is continuously monitored by the Member States and the Commission. DG EMPL is responsible for monitoring the enabling condition related to the application of the Charter of Fundamental Rights and implementation and application of the United Nations Convention on the Rights for Persons with Disabilities. In 2023, all Member States, except for Cyprus, Hungary and Poland, fulfilled the condition concerning the Charter of Fundamental Rights. For Hungary, the specific measures to protect the EU Budget against breaches of the principle of the rule of law under the general regime of conditionality are also considered not to have been fulfilled. This means that in 2023, these three Member States could submit payments for reimbursement, but that these amounts would only be paid by the Commission as soon as the conditions are fulfilled.

For all programmes the DG presents an estimated risk at payment of maximum 2.6% and a risk at closure (after applying financial corrections) of 1.3%.

Exchange of views with Koen Doens, Director-General for International Partnerships (DG INTPA)

In its 2023 Annual Activity Report, DG INTPA reported that the implementation of its main financing instrument, the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe), was up to full speed, with a good level of implementation of the geographic and thematic Multiannual Indicative Programmes (MIPs) and the signature of the first guarantee agreement under the

EFSD+ open architecture scheme.

In 2023, the Commission and the EU Member States further worked on the operationalisation of the Global Gateway strategy by endorsing the first two lists of Global Gateway flagship projects with a total of 225 projects for 2023 and 2024.

The Commission's Internal Audit Service in its audit on intervention-level evaluations (DG INTPA, DG NEAR, FPI) identified three very important issues concerning (1) the evaluation guidance template and the IT tool, (2) implementation of the evaluation process, (3) monitoring, overview, and reporting at headquarters' level. In particular concerning the implementation of the evaluation process, DG INTPA should ensure that the evaluations are only performed if needed and considered useful, that the evaluation manager and the Reference Group ensure an adequate quality check of the key evaluation documents and deliverables, and that evaluations are disseminated.

DG INTPA reported that, concerning financial management and internal control, it relies on the residual error rate (RER) study to identify residual errors not detected by the internal control system, and to conclude on its effectiveness. As the ECA separates the general budget of the EU and the EDF for the purpose of its error estimations, the RER study also estimates representative error rates for the general budget of the EU, which is 2.21%, and the EDF, which is 0.08%.

CONT Timetable

Event	Body	Date
Deadline for Opinion-giving Committees	FEMM, DEVE, CULT, AFET, PECH, AGRI, ENVI, EMPL, ITRE, JURI, LIBE, TRAN, REGI	28 February 2025
Consideration in Committee	CONT	17-18 February 2025
Deadline for Amendments	CONT	21 February 2025, 12:00
Vote in Committee	CONT	7-8 April 2025

Thursday, 17 October 2024, 17.30-18.30

6. ECA SPECIAL REPORT 06/2024: THE FACILITY FOR REFUGEES IN TURKEY

CONT/10/01137

Presentation of the special report by reporting ECA Member [Bettina Jakobsen](#)

Administrators: Hans Stander

The EU Facility for Refugees in Türkiye ('the Facility') is a mechanism for coordinating and streamlining a contribution of EUR 6 billion from the EU and its Member States, covering humanitarian and development activities. The funds were made available in two equal tranches in 2016-2017 and 2018-2019 respectively. The operational budget has been fully allocated and contracted, and more than EUR 5 billion has been disbursed. Approximately half of the EUR 6 billion comes from the EU budget, and the other half from Member State contributions.

The report of the Court of Auditors offers an interesting view on the link between EU funding and the achievement of objectives, which is particularly relevant in the current policy environment which is increasingly shifting towards performance-based payments. Though this Facility is not performance based, the Court looks into the question of 'reasonable costs', which is also prevalent in the implementation of the RRF.

The Court examined the Commission's management of the Facility and assessed whether the funds were used efficiently and effectively to support refugees and host communities. It also followed up on the recommendations made in its special report from 2018, which focused on the humanitarian strand of the Facility.



The Court made the following observations:

1. The Commission improved the functioning of the Facility by implementing the Court's 2018 recommendations.

The Commission for example improved the efficiency of cash-assistance projects by reducing the percentage of total project costs claimable as indirect costs (maximum 7%), discontinuing the payment of a cash transfer fee to the local implementing partner, and aligning pre-financing payments with project needs. These efforts increased the projects' efficiency and led to savings of about EUR 65 million.

2. Sampled projects addressed beneficiaries' needs, but were delayed, and their costs were not assessed systematically.

The Commission did not systematically assess the reasonableness of project costs. For several projects there was no documentary evidence of the Commission or the EU delegation having analysed the project budget in detail. They merely relied on the explanations provided by the implementing partners and the Commission did not compare similar costs between different projects or calculate the cost per beneficiary, putting the efficiency of projects at risk. The Commission also did not carry out checks to verify the actual reasonableness of costs during project implementation.

3. Planned outputs have been delivered, but their impact and sustainability are not sufficiently addressed.

So far, sustainability has only been ensured for infrastructure projects. Although improvements have been made since 2018, the Court concludes that the Facility could still have achieved greater value for money and demonstrable impact.

7. ANY OTHER BUSINESS

8. NEXT MEETINGS

- 4-5 November 2024
- 11-12 November 2023

PAPERLESS PROGRAMME (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

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Briefings “6 briefing papers on various aspects of the post-2027 MFF”
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Study “Mapping the current structure and discovering the potential of ‘other revenue’ ”
Study “Adapting the EU budget to make it fit for purpose for future enlargements”
Study “Contingent liabilities for the EU budget: an updated appraisal”

CONT

Study “The Financial Transparency System - How to improve its functioning and reliability”
Study “Lessons learned from the implementation of crisis response tools at EU level” (Part 2)
Study “Performance based Instruments: possible improvements in their design”
Study “Methods in the European Court of Auditors and the Commission: the estimated level of error vs estimated risk at payment/risk at closure”

FORTHCOMING EVENTS

BUDG

Workshop “Some key themes for the post-2027 Multiannual Financial Framework” (7 November 2024 tbc)

CONT

Workshop “EU anti-fraud architecture - the role of EU-level players, how they cooperate and the challenges they face” (date tbc)

Policy Department for Budgetary Affairs - poldep-budg@ep.europa.eu

Policy Department Webpage: <https://poldepnet.in.ep.europa.eu/home/budgetary-affairs/presentation-of-poldep-d.html>

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