DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

Dé Céadaoin, 16 Deireadh Fómhair 2019 Wednesday, 16 October 2019

The Joint Committee met at 2 p.m.

Comhaltaí a bhí i láthair/Members present:

Bernard J. Durkan,	Gerard P. Craughwell,
Mattie McGrath,	Terry Leyden,
Frank O'Rourke.	Neale Richmond.

Teachta/Deputy Michael Healy-Rae sa Chathaoir/in the Chair.

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European Court of Auditors Annual Report: Discussion

Chairman: We are having an informal engagement after this meeting with a parliamentary delegation from Montenegro. Apologies have been received from Deputy Crowe. I remind members of the mobile phone notice.

I am delighted to welcome Mr. Tony Murphy and his colleagues to the committee. Mr. Murphy is the Irish member of the European Court of Auditors, ECA. The court plays an important function in assessing the spending of public money by the European Union and whether that money is being spent correctly and in an effective manner. As a committee, we have found the court provides an interesting perspective on how the EU is doing financially and so this annual engagement is useful and important for us. The committee appreciates the work Mr. Murphy and his colleagues do because everybody knows it is like Mom's purse and the most important thing is to mind the money, to watch what way it is spent and to ensure everything goes correctly. I have no doubt our guests are capable of doing that.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

I call Mr. Murphy to make his opening statement.

Mr. Tony Murphy: I thank the Chairman and members of the committee. It is a pleasure to be back again to present the 2018 annual report. We seem to have picked the wrong day to be here; we should have stayed in Luxembourg where all the action is happening. The one day we should have stayed there, we are in Dublin. It is a pleasure to be here nonetheless.

Before we start with the presentation of the report, I would like to thank the Chairman for taking time out to meet the president of the European Court of Auditors when he visited the House in November. I also thank the delegation who came to Luxembourg in April. We appreciate this ongoing engagement and, as the Chairman said, it is a good thing.

I will start with some of the key figures in the report. We audited $\notin 120$ billion of the EU budget. Of that, $\notin 58$ billion, or almost 50%, relates to natural resources, which covers agriculture and environment. Cohesion then follows with $\notin 23.6$ billion and competitiveness with almost $\notin 18$ billion.

The following are the results of our work in a nutshell. The EU accounts present a true and fair view, as we have been saying for a large number of years. The revenue for 2018 is legal and regular. Something that we do that most other auditors do not is we give an estimated level of error for the EU budget. For 2018, it has increased slightly to 2.6% from 2.4% in 2017. The figure for 2016 was 3.1%.

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Breaking that down, there are two types of expenditure: low-risk expenditure and high-risk expenditure. The low-risk expenditure is generally free from material error. That means the error rate is below our materiality threshold of 2%. Almost 50% of the expenditure falls into this category.

However, the other 50%, approximately €61 billion, is high-risk expenditure. The overall estimated level of error for this type of expenditure is 4.5%.

I am responsible for cohesion, which had an error rate, in 2018, of 5%.

To put those figures into perspective, the EU budget for 2018 was almost $\in 160$ billion, to which Ireland contributed $\in 2.6$ billion. The main bulk of this budget, 66%, is based on gross national income, GNI, and traditional loan resources and VAT cover approximately another 24%. Depending on what happens today in Luxembourg, those figures for the customs and VAT that we collect on behalf of the EU could change substantially.

The spending in 2018 totalled $\notin 157$ billion. This equates roughly to $\notin 300$ for every EU citizen. It is the equivalent of 2.2% of total government expenditure across the EU member states and represents 1% of gross EU national income. That is to put the budget into context. Expectations are sometimes very big but, in relative terms, the amounts concerned are quite small, although it is still a lot of money.

Ireland has contributed $\notin 2.6$ billion to the budget. We basically received back $\notin 2.064$ billion, 76% of which comprises subsidies for agriculture. The rest of that amount is mainly for competitiveness and growth. The important part of that, in Irish terms, is the contribution we receive back for agriculture and the environment.

We had a net operating balance with the EU in 2018 of \in 315 million. This is the second year in a row that we have contributed more than we have received back. It does not tie in exactly with the funds flow because an accounting adjustment is made for all member states to reflect administrative overheads. In funds flow terms, we gave approximately \in 550 million but, as an operating budgetary balance, which is the basis on which the net contribution is calculated by the EU Commission, the figure is \in 315 million.

The $\notin 2.06$ billion is broken down into $\notin 1.56$ billion in sustainable growth and natural resources, of which $\notin 1.2$ billion is for direct payments to farmers, and the other $\notin 320$ million for rural development expenditure. That is the bulk of the funding.

We have gone through what we found in terms of the audit population. There is an important point to add about the error rates. We are confident that, based on the statistical sample we have taken, we can stand over an average estimated error rate of 2.6%. That 2.6% of the EU budget is \notin 4 billion, which is still quite a lot of money. That is an error rate, so we try and emphasise that this is where the rules have not been fully complied with. EU-related funding, and the rules relating to it, can sometimes be complex. Depending on the nature of the expenditure and how it is dispersed, the error rates are higher, as we have seen earlier. We will go into a little more detail, for instance about cohesion, where the projects are complicated compared to, say, direct payments for farmers, which are more conditional on a requirement - a land parcel entitles one to so much - or an Erasmus grant for a student. Those examples are much more conditional compared to the cost reimbursement expenditure, which is where we have most of our problems. That is what I mean by high-risk expenditure. That is where we are talking about cost reimbursements.

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I am responsible for the chapter in the annual report relating to cohesion. The amount that was subject to audit last year was €23.6 billion and there was an error rate of 5%. The error rate was 3% in 2017 so there was a significant increase for 2018 and it is more or less back to the level it was in 2016.

We explained last year that 2017, for cohesion especially, was a very unusual year. Little expenditure was submitted by the member states. The equivalent of the \in 23.6 billion for 2018 was approximately \in 8 billion in 2017. There has been a considerable increase in the expenditure for cohesion that was claimed by member states.

By its nature, this tends to be very complex. It includes large infrastructure projects that involve difficult and complicated public procurement procedures. We have issues with state aid and all sorts of other things that are not applicable in our low-risk expenditure.

We try and rely as much as we can on the work of the EU Commission and the other authorities in the member states that work on behalf of the Commission. We cannot fully rely on these figures. When we have gone back to recheck transactions that have been audited, we have found additional errors that were not originally detected either by the other authority or the Commission and we think the error rate that they have calculated is understated. We do our own computations and cannot fully rely on theirs yet.

The area of natural resources comprises agriculture and the environment. We have amounts, subject to audit, of \in 58 billion. The most likely error there is just above our materiality threshold of 2%. It is 2.4%, which was the same as in the previous year. Ireland did not feature in the sample of transactions that were tested. Even within agriculture, there was a distinction, in that direct payments were free from material error while rural development and market measures were similar in measure to the cohesion expenditure and had a similar potential for errors. This page also discusses non-compliance with procurement or grant award rules. Rural development and market measures can be equated with higher risk cohesion-type cost reimbursement expenditure.

The error is 2.6%, which equates to almost €4 billion. This is not waste by nature. For example, projects where we find problems with strict compliance with the rules can deliver what they were supposed to. The impact of the projects has been positive, but from a purely legalistic point of view, we have had some problems. On the other hand, projects that are completely legally and regular may not deliver what was expected of them.

There are errors, waste and fraud. We are not fraud investigators as such but, as professional auditors, we must always be aware that there is the potential for fraud. Where we suspect fraud, we report it to the European Anti-Fraud Agency, OLAF. That happened in nine instances of suspected fraud during the 2018 audit. The reasons included declarations of cost not meeting eligibility criteria and procurement irregularities, the latter of which is always an area of concern. In other cases, people had artificially created the necessary conditions for EU financing. In the overall scheme of things, however, fraud was not a significant issue in our sample. Obviously, we would have preferred that there had been none, but nine is a low number.

Apart from financial compliance, we examined aspects of performance, which is an issue of equal importance. It essentially concerns whether EU policy objectives are being reached. Some shortcomings in the framework arose. For instance, indicators on which performance was supposed to be measured were sometimes not well chosen. In some cases, progress could not be calculated. In others, data were of insufficient quality or unavailable. Elsewhere, the

targets set were not ambitious and would almost have been met by default, meaning they were not giving any added value.

As members can see from the chart, Ireland features second on the list of those states that absorb EU funds the quickest. We were at approximately 45% by the end of 2018. During the equivalent period of the previous programme in 2011, the figure was approximately 48%. It is a small drop and the rate remains quite high. The EU average has decreased from 33.4% to 27.3%, which is worrying at this stage, given that we are well into the 2014-20 programming period. We do not want all of the expenditure to arise at the end when the next programming period is starting, as that would bring complications.

Linked to the matter of absorption is that of the outstanding commitments per member state. Ireland figures well here, in that we were ranked low at \notin 900 million of outstanding European social and investment, ESI, funds commitments by the end of 2018. It is quite a lot of money, but relative to general government expenditure, it is not significant. For example, Poland had \notin 35 billion of outstanding commitments at the end of 2018, representing 17% of Poland's general government expenditure. The correlation between the two is high.

That was the financial end of things, but we also conduct performance reports. I have provided a brief introduction on the types of issue we encounter with the indicators and the framework. The next page outlines some of the special reports we issued in 2018. They are systematically provided to the committee. The page shows them by EU multi-annual financial framework, MFF, heading. There is a variety of tasks, including broadband, Horizon 2020, air passenger rights, the Turkey pre-accession aid and Turkey refugee facilities. Under the sustainable resources heading are renewable energy, carbon capture and storage, flood prevention and animal welfare. These climate issues are topical and we have started many more reports on them in our current work programme. The financial and economic governance heading is something of a carryover from the financial crisis. We still undertake some audits in that regard, but fewer than in the past. Now, it is more about examining whatever supervisory mechanisms are in place.

In 2019, we issued the reports listed on the next page. A number included Ireland in the sample. The reports on farmers' payment schemes and cross-border healthcare did not, but it was included in the reports on EU-wide stress tests for banks, organic products and the vulner-ability of e-commerce to tax fraud, which is topical, given the ongoing negotiations on customs and borders. We also performed a review of the Commission's public consultation with EU citizens on various issues.

Of our upcoming reports in the next few months, some will be Irish-relevant. For example, Ireland will feature in the samples for reports on biodiversity on farmland and cost effectiveness of EU-funded energy investments in buildings. As such, there will be something to be said about Ireland in the final reports. Other reports of general interest to Irish policymakers will be on pesticides and the EU's response to dairy market disruptions. Reports of general public interest will include one on combating child poverty. I am a reporting member for that work. We will examine how the EU helps member states to address child poverty. That it is on the increase in many member states is a sad indictment of where we are today. Other reports will be on digitising European industry and trade defence instruments. These pages give a flavour of some of the reports that we have published or that are in the pipeline.

I thank members for their attention. I am open to questions.

Chairman: I thank Mr. Murphy. These are interesting times indeed. What he mentioned about being here rather than in Luxembourg was also interesting, but he might be better off here. I call Senator Richmond first.

Senator Neale Richmond: I thank Mr. Murphy for his detailed presentation. I also thank him for his hospitality in April. I was the only member from this committee there, although three colleagues from the finance committee were also present. It was one of the most worth-while Oireachtas trips I have been on. It was fascinating to see the work of the ECA and how that tied into the wider institutions.

I have two questions on the report and one on something that might be happening in a room in Luxembourg. Mr. Murphy mentioned the nine referrals to OLAF. What sorts of referral were they, what did they entail and at what level were they? What happens to non-absorbed funds? We are coming to the end of a budgetary cycle. Do the funds go back into the pot and can they be reused?

Bearing in mind what is happening with Brexit, we are completing the end of this MFF cycle and moving into the next one. We touched on the budget formulation process in Luxembourg at the time, but is there more information available now that we are six months further down the track? Have there been delays in the formulation process? Will Mr. Murphy put into context the impact of Brexit on the European budget? How much less or, in certain areas, more money will there be?

Since my next question might be political, if Mr. Murphy is unable to answer it, that is fair enough. When the then European Commissioner for Budget and Human Resources, Mr. Günther Oettinger, appeared before us approximately 12 months ago, he spoke about how the future budget would be different from previous budgets. We know the political emphasis placed on changing levels of expenditure, with CAP and the national environment wing of the budget receiving attention, but the security element is emerging. The Commissioner was specific that spending on security would have to increase. To what extent does Mr. Murphy estimate the expenditure levels will change? In his role as an auditor, can the court truly measure the success of the budgetary impact on security? CAP is not easy to measure, but it has been ongoing for so long and the numbers are clear to us all to read. Measuring security is a little different.

Deputy Bernard J. Durkan: I thank our guests for their presentation.

Do the witnesses believe that expenditure throughout the European Union is efficient and effective? What is the most common problem with state aid that turned up in the course of the examination? Where did those deviations occur?

On climate change, to what extent has the European Court of Auditors, ECA, compared the performance in the European Union in regard to less reliance on fossil fuels and greater investment in renewables? Has it examined expenditure concerning the type of renewables, the effectiveness and the efficiency of the climate change programme, as well as results?

To what extent has expenditure on pesticides being examined? Will replacements for pesticides achieve similar results? How effective will expenditure be in that area? A suggestion has been made in some quarters that if the use of pesticides across the European Union is changed, there will be a dramatic drop in production, in particular cereal production. To what extent was technical evidence presented to bring about a change? Again, how effective is spending in that area? Is it money well spent or poorly spent? What does the ECA see there for the future?

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A certain blame for climate change is being attached to rural Ireland and the agrifood sector. I believe, however, that rural Ireland and the agrifood sector can make a major contribution to alleviating the problems causing climate change through renewable energy, afforestation, hydroelectric schemes, wind energy schemes and others. I know these developments are stronger in some EU countries than in others. To what extent does the ECA see money being well spent strategically in that area? How effective has it been so far?

Some experts here in Ireland - I use the word "experts" loosely – claim that rural dwellers contribute more to global warming than anybody else. I do not agree with that. I believe rural dwellers have an equal contribution to make. They are in a position themselves to monitor how to have a programme of less reliance on fossil fuels and a shift over to other energy sources. I will give a simple example where I carried out my own experiment. In my house I put in a wood-burning stove and triple-glazed windows. In one fell swoop, I reduced my costs on home heating oil by 60%. That was also in a cold winter when there was severe demand and usage.

Chairman: The ECA's annual report stated the current performance indicators do not always reflect the effectiveness of the EU budget. In what ways do the witnesses think the performance indicators can be made a more accurate measurement of effectiveness? Have their recommendations in this regard been adopted or already implemented by the European Commission?

The ECA's annual report stated that in 2018, two thirds of the EU budget was spent through shared management programmes, which are managed by member states. Natural resources funding covers the Common Agricultural Policy, CAP, the Common Fisheries Policy and part of the EU spending on the environment and climate action. In 2018, the CAP accounted for 98% of natural resources funding. The ECA found that the complex eligibility conditions for rural development market measures, fisheries environment and climate action increased the risk of error in these spending areas. Direct payments made to farmers made up 72% of the EU's natural resources funding. It was free of material error in 2018. What are the witnesses' views on these issues?

If we are banned from using certain chemicals in agriculture and there is a gradual withdrawal from the use of other chemicals, particularly in farming practices, that will have a serious negative financial knock-on effect. How can that be handled? The people who have made these suggestions do not realise the implications on the ground and how much those chemicals are needed. It is an unusual matter. It equally affects people with good land and poor land. I can see awful knock-on consequences down the road. If farmers will be unable to purchase chemicals for farming practices, it will have a serious negative impact on their incomes. For example, many years ago, a dip used for sheep was deemed to be environmentally unfriendly. A weakened type of dip was made available. That has had a negative impact on farming. When it comes to animal husbandry, people needed something that had a bit of bite in it. Now people do not have that and it is affecting farming. The same will happen with pesticides and chemicals.

Senator Terry Leyden: I welcome the delegation, which has a serious job to do.

The way we operate European Union regulations is way above and beyond anything else in Europe. It is unreal. I do not know who is pushing it but the Department of Agriculture, Food and the Marine is unreal. It checks and measures every section of the land. My son has a farm which has an area beside a river which had to be cut off. The Department is trying to exclude that. It is outrageous what is going on. Farmers are being harassed. They are having problems with prices and they are being over-supervised. We have more inspections in a single year. We

have organic inspections, Bord Bia inspections and inspections regarding grass. My son, who is a young farmer, was inspected and they spent days going through the whole thing. All I am saying is that they should lay off, because farmers are being driven absolutely mad. Fortunately my son and my wife run the farm and they are well qualified to provide all the information in respect of tags, tests and all those requirements. Farmers are under enormous pressure whether it is coming from the European Union or Kildare Street. From my general experience when I was Minister of State with responsibility for trade and marketing, adherence to the regulations here is way beyond any other country. I would say the same in respect of sanitary facilities. We have a pub and we had to put in disabled toilets, we naturally had to put in women's and gents' toilets, plenty of them. In restaurants and bars in Barcelona or Paris disabled people cannot get down to the basement where the toilets are and there are no lifts. They are just not adhering to the regulations as we are. We must be the most adherent country of the 27 member states, or 28 as it is now. I do not know if it is coming from the witnesses' office in Luxembourg or where but farmers are under enormous pressure at the moment. The Department of Agriculture, Food and the Marine should lay off, for God's sake.

Deputy Bernard J. Durkan: I ask the witnesses to comment on the future of the Common Agricultural Policy, CAP. That is very important as far as this country is concerned.

Mr. Tony Murphy: We will try to address some questions. As Senator Richmond already stated, some of them may be a bit political for us and go beyond our mandate. In response to Senator Richmond's questions, the nine referrals are basically cases where we just have a suspicion that something is not quite right. We really do not want to compromise any future investigation because the experts in this field are in OLAF and they have the proper criminal investigators. We do not want to ruin any potential trail that has to be followed. They vary from the artificially created - someone setting up a false business so that everything looks fine on paper but it is just a falsehood - to public procurement where it is not just an error but we think there is something more sinister behind it, that it is really a deliberate attempt to make sure there is not fair competition or to restrict procurement to a single bidder by making the thing so specific that nobody else could tender for it. These are the kind of issues.

On the non-absorbed funds, there is a rule called end plus three. Three years after the end of the programming period, the money lapses if it has not been claimed. The member states can still claim money from that programming period up to the end of 2023. There is a proposal for the new 2021-27 programming period to shorten this back to end plus two, as it was before. The longer this thing goes on, the more it eats into the next programme period. There is so much effort going into spending the money from the previous period that the implementation and take-off of the following period just takes a long time.

There are delays in the budget formulation process for sure. The expectation many moons ago was that this current Commission would finalise the negotiations and that the budget would already be agreed at that stage. We are now looking at sometime next year hopefully. It has to be resolved sooner rather than later. The focus so far has been on fixing where we are with Brexit and the implications that will also have for the budget. In terms of what it will mean, it is very difficult to say. There are rumours of 10% or 15% cuts across different policy areas. It would be unfair to say that because, in a way, the fun will really start with the budgetary negotiations between the member states. Certain member states want to retain the importance of the Cohesion Fund and do not want the budget to be cut there, while other member states, perhaps ourselves included, want agriculture and the CAP to be maintained or even increased. It is going to be a matter of fighting for what is left in a reduced budget. That brings in the issue

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of security as well. This is what I was trying to say in terms of 1% of GNI to the EU budget. Sometimes all these extra demands come on the EU budget without member states wanting to pay for it. As was said, if a lot of money has to be put into security, it will have to be cut somewhere else unless member states are willing to pay more. It is a matter of getting what we pay for, if I can put it like that.

In response to Deputy Durkan's comment on being efficient and effective, I tried to explain that we have two aspects, the legalistic compliance aspect and our performance. There are definitely weaknesses in the performance framework and how we can measure certain policies. Overall, people try to spend in an efficient and effective way but that does not always produce the results we wanted in the first place. We still have some work to do on that. There is a proposal in the court that we will have a separate annual report next year on performance. That might help address some issues. It will be more focused on the performance aspects and may help address some of the issues the Deputy raised in several of his questions. On state aid, in any case where the state aid goes to DG Competition and the Commission, they normally rule on it. Where we are finding problems, we have a disagreement in the interpretation of the applicable rules. For instance, in some of the errors we think the aid intensity is too high. We had a particular problem with the absence of the incentive effect. If it is not there, for us that is an error. There can be undetected state aid or state aid not being notified; sometimes it would have been allowed if it was notified but it is not notified so no one is aware of it. Monitoring of formal requirements is sometimes not met. It is a variety of things, I would say, in terms of state aid.

On climate change, and it is probably the same for the questions on pesticides and rural Ireland, I would put them all in a group and say these are issues for the Commission Directorate Generals that are directly involved such as DG Agriculture and Rural Development, DG Health and Food Safety or whatever. What we are doing afterwards is basically auditing the decisions they have taken. We are not a party to the political process or discussions on which pesticides should or should not be banned. The Commission services use the experts in the field, as it were. We come along and see what the outcome is and how it is implemented. We might like to think we have a bigger role than we have in that regard but we do not. We are basically auditors. We see what has happened and how the political decisions, programme and objectives are implemented *ex post*. That also goes a bit to what the Chair was saying on the pesticides.

On shared management, it is like anything. When there are more actors involved it is more complicated. We have shared management between the Commission and the member states. Cohesion is where we have problems because there are a lot of actors involved. We have the audit authorities in the member states, the Commission and the Ministries. It is really a big chain of people who are involved in implementing EU funds. On performance indicators, hopefully the report we will have next year will address some of those issues in a clearer way. At the moment, all we are saying is that we have issues with the framework, whether the indicators set are good or not. Next year, we hope to be able to come with something that says whether objectives are being met in particular policy areas. I would highlight real performance impact. One of the big issues we have is that indicators are often for output rather than impact. Output is just saying how many people have done a training course. It is good that people are trained but the real thing is the impact. Has it made a difference? Has it made them more employable? Has it led to employment? That is where we are looking to see that those type of indicators would be better.

Senator Leyden raised an interesting point. It is not coming from us. We are auditors. We

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are there to see if rules are being applied. The people who set the rules are the legislators, that is, the European Parliament and the European Council on the basis of proposals from the European Commission. They are set by that triumvirate, if one likes. Nonetheless the Senator raises a very interesting point. We have come across cases, I am not saying in Ireland particularly because Ireland did not feature in our sample, where national rules are more demanding than EU rules and it causes problems. We call that gold-plating. The problem for us is that where the national rules are more demanding than the EU rules under the regulations we have to apply the national rules, which, as I said, are more strict and demanding than the EU rules.

Senator Terry Leyden: That is my experience.

Mr. Tony Murphy: Yes.

Deputy Bernard J. Durkan: On the State aid issue, I am critical of the State aid rules and regulations. For example, in regard to housing in this country we are restricted in the degree to which we can provide local authority housing, which is the traditional method of housing provision in this country. This is part of the taxation policy of this country and adjoining countries. It has always been the case that people in a particular income category can avail of local authority housing, thereby reducing their requirement for a wage increase at any particular time. This provision is badly restricted at this time and what we are doing is not good value for money. We are paying €500 million to €600 million per annum for rental accommodation, which is current expenditure repeated every year that will continue *ad infinitum*. I believe this was a wrong decision and that it is hampering this country dealing with a serious and sensitive issue. This restriction is bad in terms of value for money. We would be far better off spending €2 billion in capital expenditure over a four-year period and removing that annual burden and in doing so we would accommodate many more people.

Chairman: Is the matter raised by Deputy Durkan within Mr. Murphy's remit?

Deputy Bernard J. Durkan: It is about value for money.

Mr. Tony Murphy: Our mandate is restricted to following the EU funds. We are not involved in setting or assessing national policy. That is a matter for member states.

Deputy Bernard J. Durkan: The European Court of Auditors can surely raise concerns in regard to bad value for money.

Mr. Tony Murphy: Only if it involves EU funds.

Deputy Bernard J. Durkan: Yes, but it is state aid. Under that heading, it is an element of state aid. That is what they say. I say they are wrong.

Chairman: I thank Mr. Murphy and his officials for being here today. As always, it has been a very informative meeting. Given the enormous amounts of money involved it is important we are happy that everything is as it should be. Mr. Murphy's engagement with us on these issues is a worthwhile exercise.

We will suspend for a few minutes to allow Mr. Murphy and his officials to leave the room, following which we will go into private session to complete some committee business before meeting the delegation from Montenegro.

The joint committee went into private session at 2.55 p.m. and adjourned at 3.10 p.m. until 2 p.m. on Wednesday, 13 November 2019.