



2015/2128(INI)

7.1.2016

OPINION

of the Committee on Constitutional Affairs

for the Committee on Budgetary Control

on the Annual Report 2014 on Protection of the EU's Financial Interests –
Fight against fraud
(2015/2128(INI))

Rapporteur: Mercedes Bresso

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SUGGESTIONS

The Committee on Constitutional Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Emphasises that making the budget more credible, accurate, effective, transparent, relevant and compliant with the principle of sound financial management, so as to sustain citizens' confidence in the EU institutions and their identification with the project of European integration, must remain one of the core objectives of the policy to protect the Union's financial interests which the Commission in agreement with the Member States is required to pursue under Article 325 of the Treaty on the Functioning of the European Union; calls, to this end, for greater transparency through enhanced cooperation between the EU institutions;
2. Is deeply concerned by the validity and quality of data transmitted by the Member States concerning their gross national income (GNI), the number of open and closed cases, as well as the lack of answers to clarifications requested by the Commission and the European Anti-Fraud Office (OLAF);
3. Notes, in particular, that levels of corruption and fraud affecting the Union budget are in direct proportion to a lack of transparency in the procedures for allocating, managing and spending EU funds; calls, therefore, for better communication between the EU institutions and the Member States about the procedures in question, which should involve fewer – but more transparent – rules so as to render fraud virtually impossible; calls, to that end, for best practices to be disseminated as widely as possible;
4. Welcomes the adoption by the Commission of a multiannual anti-fraud strategy which is helping to correct significant differences in the number of irregularities notified by each Member State;
5. Reiterates its call for each Member State's respective court of auditors to make public national declarations accounting for the spending of EU funds;
6. Asks specifically that a clear distinction be drawn between fraud and error, and that information be disseminated about the most common types of fraud and error, including actual examples of both, so that users of EU funds and the authorities that manage them will be better informed on this, including regarding the serious consequences they may well incur; emphasises that more attention must also be paid to the results of projects that the Union finances – and not only to the accuracy of their accounts – as evidenced through on-the-spot checks by properly qualified, independent staff who are not subject to any conflict of interests;
7. Stresses the importance of paying particular attention to fraud and crimes against the EU budget of a transnational nature, perpetrated by organised crime;
8. Is eager, in addition, to see closer cooperation between the Member States and the Commission on the ways funds are managed; asks for comprehensive training to be provided for the staff of the authorities involved in managing the funds, in particular staff

of the Anti-Fraud Coordination Services (AFCOS), in order to develop their own national anti-fraud strategies;

9. Asks the Commission to add a chapter on the performance of the EU institutions in its next EU anti-corruption report to be published in early 2016;
10. Calls, therefore, for Article 325 TFEU to be implemented right across the spectrum of Union policies, and for action not just in response to cases of fraud but also to prevent them; calls for compliance with Article 325 TFEU, and particularly with paragraph 5 on annual reports, which is currently facing a year's delay; calls for simplification, especially, of the way in which EU subsidies are used in cohesion policy; calls for adherence to agreed procedures and for the ratification of the agreements on combating fraud at regional and international level which have been concluded between the Union and third countries or third-party organisations; calls for a follow-up to the action plan and recommendations in Parliament's resolution of 23 October 2013 on organised crime, corruption and money laundering: recommendations on action and initiatives to be taken, especially recommendation 130 – on the visibility of measures by the Member States to combat organised fraud and crime – and recommendation 131 – on a general action plan for the period 2014-2019 to eradicate organised crime, corruption and money laundering – points i-xxi; calls for the initial results of the implementation of the Currency Counterfeiting Directive to be made available; calls, furthermore, for more information to be provided about the anti-corruption instruments used by OLAF and about the coordination of Member States' procedures for recovering monies disbursed as a result of fraud;
11. Highlights the importance of establishing a coherent and effective European system for the investigation and prosecution of offences affecting the EU's financial interests and calls for every effort to be made to secure the speedy adoption of the plan for a European Public Prosecutor's Office and the directive on the fight against fraud to the Union's financial interests by means of criminal law (the so-called PIF Directive); calls on the Council to prioritise these crucial dossiers and to involve and keep Parliament informed, on an ongoing basis, about the latest state of play in negotiations about the European Public Prosecutor's Office; points out that the Court of Justice of the European Union, in its judgment in Case C-105/14 of 8 September 2015, found there was a direct link between the levying of VAT in the Member States and the EU's financial interests; reiterates therefore that VAT fraud should be governed by the PIF Directive in order to assign to a future European Public Prosecutor's Office the power to investigate this offence and prosecute suspected offenders; believes these and other actions could contribute to helping restore public trust in the effective management of EU funds;
12. Reiterates its call on the Commission to swiftly produce a legislative proposal on the minimum level of protection needed for whistle-blowers in the EU;
13. Takes into consideration the complexity of EU legislation and calls for simplification of regulations applicable to the EU budget, to prevent fraud and/or irregularities affecting EU funds;
14. Urges the Commission to immediately publish the assessment of all agreements with tobacco companies, with a view to establishing their efficiency in combating fraud and counterfeiting activities, which affect the financial interests of the EU, and to evaluate the

appropriateness of renewing these kinds of agreements.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	3.12.2015
Result of final vote	+ : 19 - : 0 0 : 2
Members present for the final vote	Mercedes Bresso, Elmar Brok, Fabio Massimo Castaldo, Kostas Chrysogonos, Richard Corbett, Pascal Durand, Danuta Maria Hübner, Constance Le Grip, Maite Pagazaurtundúa Ruiz, Paulo Rangel, György Schöpflin, Pedro Silva Pereira, Barbara Spinelli, Claudia Tapardel, Kazimierz Michał Ujazdowski, Rainer Wieland
Substitutes present for the final vote	Isabella Adinolfi, Sven Giegold, Charles Goerens, Andrej Plenković, Cristian Dan Preda, Helmut Scholz