



EUROPEAN PARLIAMENT

2009 – 2014

Committee on Agriculture and Rural Development

2012/2285(INI)

26.3.2013

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on Budgetary Control

on the Annual Report 2011 on the Protection of EU's Financial Interests –
Fight against fraud
(2012/2285(INI))

Rapporteur: Janusz Wojciechowski

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SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that in 2011 Member States reported 139 irregularities as fraudulent out of a total of 2 395 (5.8 %); points out that the number of irregularities reported as fraudulent decreased in comparison with the 2010 reporting year, although the financial impact increased from EUR 69 million in 2010 to EUR 77 million in 2011; notes that this increase can be explained by two major individual cases that were reported, one worth EUR 39 million and the other EUR 26 million;
2. Notes that, in relation to the European Agricultural Guarantee Fund (EAGF), Member States recovered EUR 173 million from beneficiaries during the 2011 financial year; points out that, as a result, by the end of the 2011 financial year, 44 % of debts from the EAGF dating from 2007 onwards had already been recovered by the Member States;
3. Points out that under an amended Article 43 of the updated horizontal regulation the Commission should be empowered to reduce or suspend the monthly or interim payments to a Member State if one or more of the key components of the national control system in question do not exist or are not effective owing to the gravity or persistence of the deficiencies found or if irregular payments are not being recovered with the necessary diligence, and if:
 - (a) either the deficiencies referred to above are of a continuous nature and have been the reason for at least two implementing acts pursuant to Article 54, excluding from Union financing the relevant expenditure of the Member State concerned; or
 - (b) the Commission concludes that the Member State concerned is not in a position to implement the necessary remedial measures in the immediate future, in accordance with an action plan with clear progress indicators, to be established in consultation with the Commission;
4. Points out that the Commission, addressing the Member States, expressed its concern that the fraud figures reported might not be entirely reliable – something the Commission itself acknowledges by emphasising the low number of fraud cases reported in some Member States; calls for further cooperation and best practice sharing in the Member States in order to respond to and report cases of fraud to the Commission;
5. Notes that the low number of fraud cases reported in some Member States could be explained by the fact that cases recognised as fraud in one Member State may not necessarily be considered unlawful in another, and therefore urges the Commission to identify and provide clarification in such circumstances, standardising the criteria for defining fraud and forwarding them to all the Member States;
6. Calls on the Commission to check the fraud reporting system and to harmonise the practices used in the Member States to respond to and report fraud to the Commission; takes the view that the aim is to make investigations more efficient, while at the same time

helping to clarify the procedural rights of the persons concerned;

7. Points out that in order to prevent the fraudulent use of CAP funds in future, not only should there be a statistical approach to the problem, but also an analysis of the mechanisms behind fraud, particularly in serious cases; likewise, considers that the Member States should report any irregularities they have detected to the Commission, and that irregularities reported as fraudulent should be the subject of stringent analysis;
8. Expresses concern that the outstanding accumulated EAGF amount still to be recovered from beneficiaries by the end of the 2011 financial year stood at EUR 1.2 billion;
9. Points out that, in response to audits performed on conformity clearance procedures in the area of agriculture, the Commission carried out financial corrections for a total of EUR 822 million; points out, furthermore, that the total value of corrections decided was EUR 1 068 million, meaning that the implementation rate stood at 77 %; notes that in 2010 the recovery rate was higher, at 85 %;
10. Emphasises that attention must be paid to ways of optimising reimbursement procedures, which are still relatively lengthy;
11. Calls on the Commission to take all necessary steps to put in place an effective system of recovery taking into account the developments under the current reform and, in next year's report on the protection of the EU's financial interests, to inform Parliament of the progress made;
12. Emphasises that the reintroduction of a 'petty offence' procedure should go ahead, and that recovery under Article 56(3) of the updated horizontal regulation need not be pursued where the costs already incurred combined with the likely costs of recovery exceed the amount to be recovered; calls on the Commission, in the interests of administrative simplification at local level, to deem this condition to have been met if the amount to be recovered from the beneficiary in the context of a single payment does not exceed EUR 300; reducing the administrative burden by not pursuing the recovery of small and very small amounts enables the national and regional authorities to investigate more serious irregularities more efficiently and to take appropriate action against them.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	25.3.2013
Result of final vote	+: 32 -: 0 0: 2
Members present for the final vote	Eric Andrieu, José Bové, Luis Manuel Capoulas Santos, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Hynek Fajmon, Mariya Gabriel, Iratxe García Pérez, Julie Girling, Martin Häusling, Peter Jahr, Elisabeth Jeggle, Jarosław Kalinowski, Elisabeth Köstinger, George Lyon, Mairead McGuinness, Rareş-Lucian Niculescu, Wojciech Michał Olejniczak, Marit Paulsen, Britta Reimers, Ulrike Rodust, Alfreds Rubiks, Giancarlo Scottà, Czesław Adam Siekierski, Sergio Paolo Francesco Silvestris, Csaba Sándor Tabajdi, Marc Tarabella, Janusz Wojciechowski
Substitute(s) present for the final vote	María Auxiliadora Correa Zamora, Spyros Danellis, Jean-Paul Gauzès, Christa Kläß, Astrid Lulling, Jacek Włosowicz, Milan Zver