



**2017/2131(INL)**

21.3.2018

# **DRAFT OPINION**

of the Committee on Budgetary Control

for the Committee on Civil Liberties, Justice and Home Affairs

on the situation in Hungary (pursuant to the European Parliament resolution of  
17 May 2017)  
(2017/2131(INL))

Rapporteur: Ingeborg Gräßle

(Initiative – Rule 45 of the Rules of Procedure)

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## SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Civil Liberties, Justice and Home Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to Article 325(5) of the Treaty on the Functioning of the European Union (TFEU),
  - having regard to the study entitled “Intensity of Competition, Corruption Risks and Price Distortion in the Hungarian Public Procurement – 2009-2016” prepared by the Corruption Research Center Budapest,
  - having regard to its resolutions of 17 May 2017, of 10 June and 16 December 2015 on the situation in Hungary<sup>1</sup>, of 3 July 2013 on the situation of fundamental rights: standards and practices in Hungary<sup>2</sup>, of 16 February 2012 on the recent political developments in Hungary<sup>3</sup>,
  - having regard to the Corruption Perception Index of Transparency International for the years 2006-2016,
  - having regard to the Global Competitiveness Index 2017-2018 of the World Economic Forum,
- A. whereas Union funds amount to 1,9-4,4 % of Hungarian GDP and account for over half of public investment;
- B. whereas since 2008 Hungary has fallen by 19 points in the Corruption Perception Index, making it one of the worst performing Member States;
- C. whereas the Country Specific Recommendations of the Commission highlighted the need to improve the transparency of public finances and strengthen public procurement structures and the anti-corruption framework;
- D. whereas the number of investigations carried out by the European Anti-Fraud Office (OLAF) for 2013-2016 in relation to Hungary, at 41, is the second highest in the Union; whereas 85 % of the investigations were concluded with judicial and financial recommendations;
- E. whereas the financial impact of OLAF investigations relating to Hungary in the areas of Structural Funds and Agriculture for 2013-2016 reached 4,16 %, which is the highest in the Union;
- F. whereas the actions taken by the Hungarian national judicial authorities following OLAF’s recommendations for 2009-2016 concerned only 33 % of all of OLAF’s recommendations;

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<sup>1</sup> Texts adopted, P8\_TA(2017)0216, OJ C 407, 4.11.2016, p. 46, and OJ C 399, 24.11.2017, p. 127.

<sup>2</sup> OJ C 75, 26.2.2016, p. 52.

<sup>3</sup> OJ CE 249, 30.8.2013, p. 27.

1. Believes that the current level of corruption, and the lack of transparency and accountability of public finances, affects Union funds in Hungary; considers that this might represent a breach of the values referred to in Article 2 of the Treaty on European Union (TEU) and warrants the launch of the procedure under Article 7(1) TEU;
2. Notes with concern that the share of contracts awarded after public procurement procedures that received only a single bid remains very high, at 36%, in Hungary, which is the second highest number in the Union;
3. Calls on the Commission to incentivise Member States to join the European Public Prosecutor's Office (EPPO) and, in case Member States are not willing, spending of Union funds should be suspended.