Question for written answer E-001224/2023 to the Commission

Rule 138

Ignazio Corrao (Verts/ALE)

Subject: 'See Sicily': the mismanagement of EU funds in Sicily and the risk of funding withdrawal

On 20 February 2023, Sicily Region's Audit Authority (AdA) published a final report¹on the 'See Sicily' project, which was allocated EUR 74.9 million in funding under Action 6.8.3 of the European Regional Development Fund's (ERDF) 2014-2020 Regional Operational Programme (ROP) for Sicily. The report revealed alarming irregularities.

Spending on promotional activities alone increased almost five-fold, soaring from the EUR 4.9 million budgeted in 2020 to EUR 23.9 million in 2022.

Major compliance issues include: the failure to map out the project and plan its services, the lack of specific targets or a cost breakdown for individual activities, and the project's non-compliance with the Procurement Code.

The audit found an error rate of 25% for certified expenditure on promotional activities.

What is more, given the project's poor performance and the irregularities revealed in the audit, the AdA cannot rule out the possibility – pending further examination and the application of a financial correction of 25% – that See Sicily's promotional campaign was wholly financed through direct awards.

If confirmed, this error rate could result in around EUR 1 billion being withdrawn from ROP Sicily ERDF 2014-2020.

In view of this:

- Has the Commission taken up the issues raised by the audit with the Sicilian authorities?
- 2. Can it clarify whether withdrawn funds can be recovered?
- 3. Can it provide information on the state of implementation, spending and certification in relation to ROP Sicily ERDF 2014-2020?

Submitted: 14.4.2023

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Final report on the audit of operations (Article 127(1) of Regulation (EU) No 1303/2013 – Procurement of goods and services – Phase II.