



EUROPEAN PARLIAMENT

2014 - 2019

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*Committee on Regional Development*

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**2014/2155(INI)**

5.12.2014

# **OPINION**

of the Committee on Regional Development

for the Committee on Budgetary Control

on the Annual Report 2013 on the Protection of the EU's Financial Interests -  
Fight against fraud  
(2014/2155(INI))

Rapporteur: Pascal Arimont

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## SUGGESTIONS

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

1. Recalls that, in the context of the economic difficulties currently being experienced in Member States and the insufficient resources in the EU budget, the protection of the financial interests of the European Union is particularly important; stresses the fact that EU funds must be properly managed and used in the most efficient way possible;
2. Notes that 321 irregularities reported as fraudulent and 4 672 irregularities reported as non-fraudulent were cohesion-policy related; acknowledges the fact that in both categories the number of reports increased by 15 % as compared to 2012 and that, as in previous years, the largest share of amounts that involved irregularities in 2013 (63 %) is still related to cohesion policy; points out, however, that in both categories the corresponding amounts decreased, a gradual improvement based on the experience of previous years can be seen and that for the first time, cohesion policy was not the area of budgetary expenditure with the highest number of irregularities reported as fraudulent;
3. Notes that this statistical data still only gives an approximate indication of the impact of irregularities on the EU budget; believes that the inaccuracy stems from different approaches between and within Member States to the detection, classification and reporting of irregularities and takes the view that further harmonisation is necessary; considers a presentation of irregularities which defines the type and nature thereof to be useful in terms of streamlining policies;
4. Acknowledges the fact that non-fraudulent irregularities are often caused by insufficient knowledge of the rules, complex requirements and regulations; believes that simplification of the rules and procedures will decrease the number of non-fraudulent irregularities; calls on the Commission, the Member States, the regions and local authorities to provide comprehensive training to the authorities and staff involved in the management of the funds under the framework of cohesion policy; calls on the European institutions and the Member States – in addition to the annual report on the protection of the EU's financial interests – to conduct a mid-term assessment of whether the new regulatory architecture of cohesion policy further prevents and reduces the risk of irregularities, and to evaluate the possibility of greater regulatory simplification as regards the existing rules;
5. Considers that a particular effort should be made as regards the fields in which significant fraudulent irregularities occur; recalls the importance of anti-fraud education and capacity building, both in public administrations and among stakeholders, including civil society organisations, in conjunction with clear rules and the strict application thereof, as these are key to effective fraud prevention;
6. Appreciates the efforts made by the Member States to detect, evaluate and report irregularities, including fraud; calls on the Member States and their authorities to intensify their efforts and to exchange best practices in order to ensure stronger ex-ante coordination and evaluation, and to tap their potential to detect and correct errors prior to

claiming reimbursement from the Commission by making full use of the information available to them;

7. Underlines, in addition, the importance of external assistance and controls in the fight against irregularities and fraud; is convinced of the potential benefits of a coherent European legal framework to protect the financial interests of the EU and supports in this context the anti-fraud strategies recently developed by the EU, and in particular, calls on:
  - a. all Member States to designate an anti-fraud coordination service (AFCOS) and entrust it with substantial competences and powers, and sufficient human and financial resources, and on the Commission to ensure the harmonisation of the AFCOS across the Member States;
  - b. the Council to support the directive on the fight against fraud to the EU's financial interests by means of criminal law; and
  - c. the Council to support the establishment of an independent European Public Prosecutor's Office (EPPO) provided that the relationship between the EPPO and other existing EU bodies is further defined and clearly demarcated in order to avoid the inefficient overlapping of competences;
8. Notes that the level of irregularities and fraud caused by non-compliance with public procurement rules remains high; calls on the Member States quickly to transpose into national law the recently adopted Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement<sup>1</sup>, Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors<sup>2</sup>, and Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts<sup>3</sup>, in order to further mitigate the risk of irregularities and fraud.

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<sup>1</sup> OJ L 94, 28. 3. 2014, p. 65.

<sup>2</sup> OJ L 94, 28. 3. 2014, p. 243.

<sup>3</sup> OJ L 94, 28. 3. 2014, p. 1.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	3.12.2014
<b>Result of final vote</b>	+: 30 -: 4 0: 3
<b>Members present for the final vote</b>	Pascal Arimont, José Blanco López, Franc Bogovič, Victor Boştinaru, Mercedes Bresso, Steeve Briois, Rosa D'Amato, Tamás Deutsch, Bill Etheridge, Michela Giuffrida, Anna Hedh, Krzysztof Hetman, Ivan Jakovčić, Constanze Krehl, Andrew Lewer, Louis-Joseph Manscour, Martina Michels, Iskra Mihaylova, Andrey Novakov, Younous Omarjee, Mirosław Piotrowski, Stanislav Polčák, Fernando Ruas, Monika Smolková, Maria Spyrali, Olaf Stuger, Ruža Tomašić, Monika Vana, Matthijs van Miltenburg, Derek Vaughan, Kerstin Westphal
<b>Substitutes present for the final vote</b>	Isabella Adinolfi, Martina Anderson, Andor Deli, Jan Olbrycht, Pina Picierno, Claudia Schmidt