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Press release | 25.02.2021

# New report on fraud, corruption & misuse of EU agricultural funds must be wake up call for Commission

#### **CAP**

Today (25 February), MEPs working on protection of the EU's budget from the Greens/EFA group have just released a new report: "Where does the EU money go?", which looks at the misuse of European agricultural funds in Central and Eastern Europe. The report looks at systemic weakness in EU agricultural funds and maps out in clear terms, how EU funds contribute to fraud and corruption and undermining the rule of law in five EU countries: Bulgaria, Czechia, Hungary, Slovakia and Romania.

The report outlines up to date cases, including: Fraudulent claims and payments of EU agricultural subsidies Slovakia; the conflicts of interest around Czech Prime Minister's Agrofert company in Czechia; and state interference by the Fidesz government in Hungary. This report comes out as the EU institutions are in the process of negotiating the Common Agricultural Policy for the years 2021-27.

Viola von Cramon MEP, Greens/EFA member of the Budgetary Control Committee, comments:

"The evidence shows that EU agricultural funds are fuelling fraud, corruption and the rise of rich businessmen. Despite numerous investigations, scandals and protests, the Commission seems to be turning a blind eye to the rampant abuse of taxpayer's money and Member States are doing little to address systematic issues. The Common Agricultural Policy simply isn't working. It provides the wrong incentives for how land is used, which damages the environment and harms local communities. The massive accumulation of land at the expense of the common good is not a sustainable model and it certainly shouldn't be financed from the EU's budget.

"We cannot continue to allow a situation where EU funds are causing such harm in so many countries. The Commission needs to act, it cannot bury its head in the sand. We need transparency on how and where EU money ends up, the disclosure of the ultimate owners of large agricultural companies and an end to conflicts of interest. The CAP must be reformed just so it works for people and the planet and is ultimately accountable to EU citizens. In the negotiations around the new CAP, the Parliament team must stand firm behind mandatory capping and transparency."

**Mikuláš Peksa**, Pirate Party MEP and Greens/EFA Member of the Budgetary Control Committee, comments:

"We have seen in my own country how EU agricultural funds are enriching an entire class of people all the way up to the Prime Minister. There is a systemic lack of transparency in the CAP, both during and after the distribution process. National paying agencies in CEE fail to use clear and objective criteria when selecting beneficiaries and are not publishing all the relevant information on where the money goes. When some data is disclosed, it is often deleted after the mandatory period of two years, making it almost impossible to control.

"Transparency, accountability and proper scrutiny are essential to building an agricultural system that works for all, instead of enriching a select few. Unfortunately, data on subsidy recipients are scattered over hundreds of registers, which are mostly not interoperable with the Commission's fraud detection tools. Not only is it almost impossible for the Commission to identify corruption cases, but it is often unaware of who the final beneficiaries are and how much money they receive. In the ongoing negotiations for the new CAP period, we cannot allow the Member States to continue operating with this lack of transparency and EU oversight."

#### More:

The report is available online here.

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# Responsible MEPs



### Mikuláš Peksa

## Member



Viola Von Cramon-Taubadel

Member

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