

Press Release

10/11/2009

Intelligent control system needed to better protect EU funds. Inge Gräßle MEP

European Court of Auditors refuses Declaration of Assurance for EU budget for the 15th time / Gräßle: better controls and country reports needed

Following today's presentation of the European Court of Auditor's annual report 2008, the EPP Group Coordinator in the European Parliament's Budgetary Control Committee, Inge Gräßle MEP, has called for a more focussed control of the EU's finances. It is necessary to finally draw the right conclusions and improve the system as a whole instead of continuing with "controls for their own sake", Gräßle said. "The management of EU projects needs to be improved in order to reduce the error rate. Controls need to be more focussed while the EU has to 'name and shame' those Member States that do not meet the criteria". Although the Court of Auditors has refused to grant the Declaration of Assurance for the EU's budget for the 15th year in a row, Gräßle still sees many improvements. The first Barroso Commission was partly successful in reforming the system with the percentage of EU expenditure showing irregularities down from 62% to 31%.

"The EU Commission should now concentrate on the major problems with EU project funds", Gräßle said. Structural funds in particular show many irregularities. In addition, many new EU Member States have difficulties actually using the money, resulting in more than €155 billion remaining unspent (€102 billion for structural funds alone). "The structural funds remain the Achilles Heel of the EU budget. The EU Commission has to put more pressure on Member States", Gräßle said.

In contrast, the agricultural budget shows signs of improvement, receiving a Declaration of Assurance by the Court of Auditors. However, this part of the EU budget also demonstrates the wider problems, with Germany showing irregularities in a mere 0.3% of all payments, while this figure is as high as 13% in the case of Bulgaria and Romania. "The average rate of irregularities in payments of 2% therefore hides the large disparities", Gräßle said. In order to tackle the problem, the EU Commission should issue country-by-country reports. "The Commission needs to get away from general controls and general criticism, and embrace an intelligent and focussed control system instead. This is the only way to avoid next year's report by the Court of Auditors having the same outcome."