

Press release: Delegation visit of the Budgetary Control Committee to the Czech Republic

"The European Commission has remained inactive for too long tolerating serious deficiencies in the functioning control systems of EU funds in the Czech Republic" – said Inge Gräßle after a fact-finding mission of the Budgetary Control Committee. Members of the delegation looked into systemic errors in EU funds control and auditing during their stay in Prague on 26-27 March. The Czech Republic receives 26.7 billion EUR from the EU Structural Funds over the period 2007 - 2013.

"We had the impression that control and supervisory systems have been deliberately designed in such a way as to allow irregularities and even fraud. Rules to protect competition have been circumvented, and project applications have been dealt with in a way to favour predetermined beneficiaries" – continued Inge Gräßle the spokesperson of the EPP Group in the Budgetary Control Committee. Moreover numerous imprisonment sentences for corruption were imposed on several persons.

She urged the Members of the Czech Parliament to make an inquiry committee regarding the actual beneficiaries of the malfunctioning of the management and control systems of EU funds. New legislation should allow the Czech Supreme Audit Office to audit municipalities too.

The delegation looked into a number of projects, which either do not make sense - such as the drawbridge of Kolin on the Elbe river, which has never been opened for passing ships -, or which are suspiciously expensive, such as the extension of Metro line A in Prague, where the cost per km is twice as high for the metro in Hamburg.

"We take note of the planned measures presented to us by the Czech authorities concerning the improvement of the public procurement act and the adoption a civil service act, but we do not know if these steps will be sufficient to overcome grave problems. It remains to be seen how effective these measures will be" – said Gräßle.

"There is also a high urgency to resolve potential cases of conflict of interest, which are even at ministerial level" – said Gräßle.

Inge Gräßle also urged the Commission to use more flat-rate corrections and provide more information on recoveries. The Budgetary Control Committee also needs more information concerning Commission decision on waivers of recoveries.

In order to properly follow up the situation the EPP spokesperson will prepare a detailed questionnaire, which will be sent to the Czech authorities.

"We have to remain constantly vigilant, this is our duty, which we fulfil, so that the European taxpayer feels that his money is taken care of" – concluded Inge Gräßle.