

AGRI opinion
"The impact of organised crime on own resources of the EU and on the misuse of EU funds"

Rapporteur for opinion: Adrián Vázquez Lázara

Draft Compromise amendments

CA n°1 - paragraph 1

In: 2 (EPP), 4 (EPP), 33 (ECR)
Covered:
To be voted separately: 6 (ECR), 7 (Greens)
Fall: 3 (The Left), 5 (ID)

Text proposed by the Rapporteur

1. Highlights that CAP is the largest item in the EU budget, representing 31% of the total budgetary expenditure for the 2021-2027 period. Stresses the **key role of a well-functioning CAP in protecting** the financial interests of the EU and its citizens against any misuse of EU funds that can degrade the public image of such a strategic policy;

Amendments

1. Highlights that CAP is the largest item in the EU budget, representing 31% of the total budgetary expenditure for the 2021-2027 period. Stresses **that it is vital for the CAP's control systems at EU and national level to work properly to ensure that [4]** the financial interests of the EU and its citizens **are effectively protected** against any misuse of EU funds that can be detrimental **to farmers and [4]** to the public image of such a strategic policy; **underlines, that general Union legislation on protection of the Union financial interests and avoidance of conflict of interest must be respected by the all Member States [2] notes that transparency and the control of agricultural funding are essential for the construction of a functional agricultural system [33];**

CA n°2 - paragraph 2

In: 1 (EPP), 8 (EPP), 15 (S&D), 36 (EPP) 37 (Renew), 64 (S&D),
Covered: 17 (Greens)
To be voted separately: 16, 18, 19 (Greens)
Fall: 10 (The Left), 11 (S&D), 12 (ECR), 13 (ID), 14 (EPP)

Text proposed by the Rapporteur

2. Points out that the concentration of agricultural income support is mainly driven by area-based direct payments. Underlines the need for a more targeted support and a better balance between large and small beneficiaries at Member State level;

Amendments

2. Points out that the concentration of agricultural income support is mainly driven by area-based direct payments. Underlines the need for a more targeted support and a better balance between large and small beneficiaries at Member State level; ***Regrets that for the new CAP, capping remains voluntary; calls on the Member States to use the different redistributive tools within the new CAP as a measure against the misuse and for the fairer distribution of the agricultural funds [1][8]; criticises the fact that, in the Special European Council of July 2020, Member States unilaterally decided not to introduce maximum amounts for natural persons under the first or second pillars, pre-empting a decision in the trilogue negotiations on the reform of the Common Agricultural Policy [64];***

2a (new) Emphasises that existing statistical tools at EU level, such as the Farm Accountancy Data Network (FADN), the Eurostat Farm Structure Survey and the Integrated Administration and Control System (IACS) gather data on different aspects of land tenure; underlines that comprehensive, up-to-date, transparent and high-quality data on land tenure, property structures, leasing structures, and price and volume movements on land markets at European level, have so far been lacking and, in some Member

States, are collected and published only incompletely [15]

2b (new) Calls on the Commission to collect information on all subsidies received from the first and second pillars of the CAP and aggregate the total amount that a natural person receives either directly through direct payments or indirectly as beneficial owner of legal persons that are beneficiaries of CAP payments (direct payments and payments from rural development)[36];

2c (new) Highlights that land grabbing and land concentration are practices that negatively affect economic and social welfare of local communities and generational renewal by forcing many farms out of business, particularly small-scale farms, to the detriment of a vibrant countryside (17) and biodiversity and calls on the EC to address these issues at EU level [37];

CA n°3 - paragraph 3

In: 20 (EPP) 21 (EPP), 23 (EPP) 24 (S&D)
Covered: 32 (EPP)
To be voted separately: 28 (ECR), 29 (S&D), 30 (ECR)
Fall: : 22 (The Left), 25 (Greens), 26 (EPP), 27 (ID)

Text proposed by the Rapporteur

3. Highlights that the Member States are responsible for the EU agricultural funds under shared management with the Commission; considers the new delivery model and the new National Strategic Plans to be a great opportunity to reinforce Member States' and the Commission's controls pertaining to the distribution and management of funds;

Amendments

3. Highlights that the Member States are responsible for the EU agricultural funds under shared management with the Commission; considers ***that [23]*** the new delivery model and the new National Strategic Plans ***can be an [21]*** opportunity to reinforce Member States' and the Commission's controls pertaining to the distribution and management of funds, ***provided that Member States have effective management and control systems in place [21], and to raise awareness among the authorities responsible for awarding grants of the opportunities for fraud; emphasises that the principle of the single audit should help relieve the pressure on farmers [23] and that that controls should not bring unnecessary or additional administrative burden for small and medium farmers, [20] [21]; stresses, in this context, the importance of exchanges between European law enforcement actors and funding release authorities in order to ensure the highest possible level of prior awareness of possible fraud [24];***

CA n°4 - paragraph 4

In: 9 (Renew), 31 (EPP), 34 (ECR), 43 (Greens)
Covered: 24
To be voted separately: 38, 39, 40, 41, 42 (The Left)
Fall: 35 (ID)

Text proposed by the Rapporteur

4. Stresses the need for a specifically tailored fraud prevention system to prevent any misuse of EU agricultural funds; ***takes the view that*** anti-fraud measures should retain their high priority for the EU and the Member States; underlines that EU funds must be recovered in a timely manner and ***that proportionate sanctions be put in place*** as effective deterrents;

Amendments

4. Stresses the need for a specifically tailored fraud prevention system to prevent any misuse of EU agricultural funds; ***Points out that although over the last years the number of frauds has been reduced considerably [9]*** anti-fraud measures should retain their high priority for the EU and the Member States; underlines that EU funds must be recovered in a timely manner and ***welcomes the provisions laid down in the CAP horizontal regulation on proportionate penalties [34]*** as effective deterrents; ***points out the importance of a comprehensive real-time information and monitoring system, including but not limited to existing tools, such as Arachne, to allow a precise overview of the distribution and fair allocation of the EU funds and to have the possibility to track and aggregate the distributed financial means; this system should include information on the interconnections between companies and beneficial owners [31];***

4a (new) Notes that OLAF is responsible for combating fraud in CAP payments, and that open cases are based on information from Member States or reports from members of the public who have been affected and who may then face retaliation; emphasises, furthermore, that OLAF cases are highly confidential and are not widely publicised when they are concluded; therefore calls for whistleblowers to be protected, and for fraud investigation authorities in the Member States to share best practices in the area [43];

CA n°5 - paragraph 5

In: 44 (EPP), 45 (Greens), 47 (EPP), 49 (Renew), 53 (Greens), 63 (S&D)
Covered: 46 (ECR)
To be voted separately: 51 (Greens), 52 (S&D)
Fall: 48 (ID)

Text proposed by the Rapporteur

5. Underlines the importance of transparency for the early detection of fraud, conflicts of interest or other irregularities; stresses ***the importance of*** EU-wide database interoperability, common rules and data exchange, cross border cooperation and better use of IT tools;

Amendments

5. Underlines the importance of transparency for the early detection of fraud, conflicts of interest or other irregularities; ***stresses that it is important to have unique identifiers within reporting systems and databases to make it clear who the final beneficiaries are and to have shared databases to ensure [45] EU-wide database interoperability, common rules and data exchange between governments and stakeholders, [47] cross border cooperation and better use of IT tools; Reiterates the transparency requirements for the CAP and cohesion policy, which require the competent authorities to maintain a publicly accessible list of final beneficiaries; urges the Member States to publish this data in a single, machine readable format and to ensure the interoperability of information; calls on the Commission to collect and aggregate the data and to publish the lists of the largest beneficiaries of each fund in each Member State [63]; highlights the importance of adherence to the Financial Regulation of the EU, and in particular the implementation of Article 61 on Conflict of interests by all the EU member states and its application on all EU funds payments [44];***

5a (new) Recalls that under the Recovery and Resilience Facility (RRF), the EU is strengthening its support to managing authorities in their administrative controls and management checks of the European funds notably through the use of the Arachne platform [49 first part]; points out that Arachne has far only been used to audit projects involving cohesion funding; takes note of Parliament's calls to

extend the data-mining and transparency approach currently only in use for CAP investment funding to all audits on area payments in the first and second pillars; [53]; underlines therefore, the importance of the Arachne platform becoming mandatory for Member States in particular in the context of managing agricultural funds [49 second part];

CA n°6 - paragraph 6

In: 54 (Renew), 55 (EPP), 56 (The Left), 57 (S&D), 59 (Renew), 61, 62, 68 (S&D)
Covered: 50 (Left)
To be voted separately: 60 (The Left), 65, 66, 67, 69, 70, 71(S&D)
Fall: 58 (ID)

Text proposed by the Rapporteur

6. Insists on greater resources for investigation, as well as on stronger coordination between the Member States and EU bodies, to ensure that the fight against fraud in agricultural funds is effective; emphasises the need for a comprehensive fraud strategy with a robust fraud risk analysis.

6. Insists on greater resources for investigation, as well as on stronger coordination between the Member States and EU bodies, ***(OLAF, ECA, Eurojust [57] and EPPO)[54] and increased awareness among the competent national authorities [61]*** to ensure that the fight against fraud in agricultural funds is effective; ***Underlines in this context that the budget allocated to Eurojust under the Multiannual Financial Framework 2021-2027 was frozen at the 2019 level, whereas the workload of cases increased [57];*** emphasises the need for a comprehensive fraud strategy with a robust fraud risk analysis ***while ensuring new checks and documentation requirements do not place an increasing burden on farmers [56]; using information from different systems such as EDES and ARACHNE in order to safeguard the Union's financial interests; [55] stresses the need to create a continuous EU training programme for employees of paying agencies to improve fraud detection and exchange best practices [54];***

6a(new) Deplores the fact that not all Member States choose to coordinate and initiate supranational prosecutions under Eurojust and that as a result many cases of organised crime at European level cannot be resolved [62]; Underlines the need for Member States, which

remain responsible for operational measures in the field of police and judicial cooperation, to make greater use of cross-border and EU-wide cooperation, as organised crime has become increasingly interconnected, international and digital[68];

6b (new) *Highlights the need to better tackle environmental crimes of cross-border dimension which affect biodiversity and natural resources, such as illegal trade in plants and animals, illegal logging and timber trafficking, illegal waste trafficking; calls on the Commission to initiate the extension of the EPPO's mandate in order to cover cross-border environmental crimes[59];*

