


Procedure file

Basic information	
COS - Procedure on a strategy paper (historic) 2000/2279(COS)	Procedure completed
Fight against fraud: protection of the Communities' financial interests, strategic approach	
Subject 8.70.04 Protecting financial interests of the EU against fraud	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		15/11/2000
		PPE-DE THEATO Diemut R.	
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets	The committee decided not to give an opinion.	
	LIBE Citizens' Freedoms and Rights, Justice and Home Affairs	The committee decided not to give an opinion.	
	JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	
Council of the European Union			

Key events			
28/06/2000	Non-legislative basic document published	COM(2000)0358	Summary
17/11/2000	Committee referral announced in Parliament		
04/12/2000	Vote in committee		Summary
04/12/2000	Committee report tabled for plenary	A5-0376/2000	
12/12/2000	Debate in Parliament		
13/12/2000	Decision by Parliament	T5-0564/2000	Summary
13/12/2000	End of procedure in Parliament		
17/08/2001	Final act published in Official Journal		

Technical information	
Procedure reference	2000/2279(COS)
Procedure type	COS - Procedure on a strategy paper (historic)

Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/12921

Documentation gateway

Non-legislative basic document	COM(2000)0358	28/06/2000	EC	Summary
Committee report tabled for plenary, single reading	A5-0376/2000 OJ C 232 17.08.2001, p. 0009	04/12/2000	EP	
Text adopted by Parliament, single reading	T5-0564/2000 OJ C 232 17.08.2001, p. 0081-0191	13/12/2000	EP	Summary

Fight against fraud: protection of the Communities' financial interests, strategic approach

PURPOSE : to outline the main guidelines of the multi-annual strategy (2000 to 2005) in relation to the protection of the Communities' financial interests. CONTENT : to be in line with the conclusions of the Helsinki European Council, the orientations of this communication are complementary to the measures already taken to ensure good, sound and rigorous management of the different policies of the EU and to prevent the risk of irregularities or misappropriation of funds. This communication is in line with the same process of strengthening public finance and represents more particularly the approach which the Commission intends to present to the European Parliament and the Council on the fight against fraud, corruption and any other illegal activity detrimental to the Communities' financial interests. It relies on the new institutional framework and the complementarity of the Member States and the institutions. Community public finance is governed by provisions included in the EC Treaty (Articles 274 to 280). The preparation, implementation and protection of the Community budget is the responsibility of the European institutions and the Member States. The European Parliament and the Council, as well as the Commission, have particular responsibilities in this area. The new Article 280 of the EC Treaty sets out an objective of effective and equivalent protection throughout the Community. It requires all the responsible authorities in the Member States to organise close and regular cooperation with the Commission. It introduces a new legal base to allow the European Parliament and the Council to adopt by codecision procedure the measures to prevent and combat attacks on the Communities' financial interests. Article 280 of the EC Treaty calls finally for a policy of permanent evaluation and transparency which must be implemented on the basis of the Commission's annual report drawn up in cooperation with the Member States. To satisfy the objectives of the EC Treaty, the new approach must be based on a strengthened culture of cooperation between the national and Community levels. It must include at the same time a prevention policy and an effective financial follow up and sanction policy. To put this global strategy project in a longer term context and achieve tangible and measurable results, the Community and the Member States will have to act with determination and plan their efforts in a multi-annual strategy (2001 to 2005) around four main strategic guidelines: - an overall legislative anti-fraud policy: (the development of the regulatory system towards more effectiveness and coherence); - a new culture of operational cooperation: (full participation and concerted commitment of the national and Community authorities on the ground); - an inter-institutional approach to prevent and combat corruption: (the strengthening of the credibility of the new obligations of the Treaty); - enhancement of the penal judicial dimension (adaptation of national criminal prosecutions to the new obligations of the Treaty).

The main lines of this strategy represent major challenges to be faced around which will have to be organised all the initiatives and priorities to be implemented in the annual programme. COS002279 28/06/00 BAS EN PURPOSE : to outline the main guidelines of the multi-annual strategy (2000 to 2005) in relation to the protection of the Communities' financial interests. CONTENT : to be in line with the conclusions of the Helsinki European Council, the orientations of this communication are complementary to the measures already taken to ensure good, sound and rigorous management of the different policies of the EU and to prevent the risk of irregularities or misappropriation of funds. This communication is in line with the same process of strengthening public finance and represents more particularly the approach which the Commission intends to present to the European Parliament and the Council on the fight against fraud, corruption and any other illegal activity detrimental to the Communities' financial interests. It relies on the new institutional framework and the complementarity of the Member States and the institutions. Community public finance is governed by provisions included in the EC Treaty (Articles 274 to 280). The preparation, implementation and protection of the Community budget is the responsibility of the European institutions and the Member States. The European Parliament and the Council, as well as the Commission, have particular responsibilities in this area. The new Article 280 of the EC Treaty sets out an objective of effective and equivalent protection throughout the Community. It requires all the responsible authorities in the Member States to organise close and regular cooperation with the Commission. It introduces a new legal base to allow the European Parliament and the Council to adopt by codecision procedure the measures to prevent and combat attacks on the Communities' financial interests. Article 280 of the EC Treaty calls finally for a policy of permanent evaluation and transparency which must be implemented on the basis of the Commission's annual report drawn up in cooperation with the Member States. To satisfy the objectives of the EC Treaty, the new approach must be based on a strengthened culture of cooperation between the national and Community levels. It must include at the same time a prevention policy and an effective financial follow up and sanction policy. To put this global strategy project in a longer term context and achieve tangible and measurable results, the Community and the Member States will have to act with determination and plan their efforts in a multi-annual strategy (2001 to 2005) around four main strategic guidelines: - an overall legislative anti-fraud policy: (the development of the regulatory system towards more effectiveness and coherence); - a new culture of operational cooperation: (full participation and concerted commitment of the national and Community authorities on the ground); - an inter-institutional approach to prevent and combat corruption: (the strengthening of the credibility of the new obligations of the Treaty); - enhancement of the penal judicial dimension (adaptation of national criminal prosecutions to the new obligations of the Treaty). The main lines of this strategy represent major challenges to be faced around which will have to be organised all the initiatives and priorities to be implemented in the annual programme.?

Fight against fraud: protection of the Communities' financial interests, strategic approach

The committee adopted the report by Diemut THEATO (EPP-ED, D) calling for tougher measures to protect the EU's financial interests. The committee stressed that fraud and irregularities remained a great problem for the EU. In 1999, for example, more than 140 000 cases were detected, amounting to EUR 339m, of which less than EUR 120m (36%) was subsequently recovered. The report pointed out that the ultimate victim of such fraud was the European taxpayer and therefore endorsed the four main lines of action proposed by the Commission in the short term. The committee acknowledged the progress made as a result of the entry into force of Article 280 of the EC Treaty (May 1999) and the establishment of OLAF (although this body was not yet fully operational), but noted that the legal and institutional framework was inadequate for effectively combating fraud. It therefore called for OLAF to be given full independence, above all from the Commission, in terms of its staffing and operational activity, and reaffirmed the call for priority to be given, when filling posts in OLAF, to experienced inspectors, investigators and prosecuting officers from the Member States. It also called for the strengthening of the role of the OLAF Supervisory Committee in order to ensure the rights of the defence of parties concerned in an investigation. The committee also wanted OLAF to establish a 'liaison centre' responsible for monitoring investigations and for relations with national judicial authorities. OLAF should also have a unit responsible for recovering the amounts defrauded. The report strongly backed the Commission proposal to set up a European Public Prosecutor's Office and called for an early appointment to the post of public prosecutor. The prosecutor's jurisdiction, the committee emphasised, should be limited, as an initial step, to criminal offences against the financial interests of the EU committed by members and employees of the EU institutions. An EPP would have the task of heading the related OLAF investigations and facilitating the prosecution of such offences in the appropriate national courts. The report stressed the need for the European Central Bank and the European Investment Bank to accede to the interinstitutional agreement relating to OLAF. Lastly, it called on the Commission to make an assessment of the candidate countries' laws in terms of the repression of potential fraud against the EU budget, in particular by organised crime.?

Fight against fraud: protection of the Communities' financial interests, strategic approach

The European Parliament adopted, by 361 votes to 82 with 68 abstentions, a resolution drafted by Mr Diemut THEATO (EPP/ED, D), calling for tougher measures to protect the EU's financial interests. (Refer to the previous documents as it mirrors the adopted text). Moreover, it should be noted that the Parliament calls for Member States which have not yet ratified the 1995 Convention on the Protection of Financial Interests (Belgium, Luxembourg, Ireland and the Netherlands) to do so as soon as possible. Lastly, the Parliament deeply regrets that the Nice European Council did not accept the Commission proposal for the establishment of a European Public Prosecutor as a practical measure with the aim of protecting the European Union's financial interests. ?