



Procedure file

Basic information		
INI - Own-initiative procedure	2005/2163(INI)	Procedure completed
Recovery of Community funds		
Subject 8.70.01 Financing of the budget, own resources		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control	PSE CASACA Paulo	12/07/2005
European Commission	Commission DG Budget	Commissioner KALLAS Siim	

Key events			
29/09/2005	Committee referral announced in Parliament		
13/09/2006	Vote in committee		Summary
22/09/2006	Committee report tabled for plenary	A6-0303/2006	
23/10/2006	Debate in Parliament		
24/10/2006	Results of vote in Parliament		
24/10/2006	Decision by Parliament	T6-0438/2006	Summary
24/10/2006	End of procedure in Parliament		

Technical information	
Procedure reference	2005/2163(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	CONT/6/30180

Documentation gateway

Committee draft report		PE374.061	30/06/2006	EP	
Amendments tabled in committee		PE376.678	25/07/2006	EP	
Committee report tabled for plenary, single reading		A6-0303/2006	22/09/2006	EP	
Text adopted by Parliament, single reading		T6-0438/2006	24/10/2006	EP	Summary
Commission response to text adopted in plenary		SP(2006)5316-2	23/11/2006	EC	
Commission response to text adopted in plenary		SP(2006)5914	05/02/2007	EC	

Recovery of Community funds

The committee adopted the own-initiative report by Paulo CASACA (PES, PT) on the recovery of Community funds. The report welcomed the three proposals submitted by the Commission as part of the 2002 reform of the Financial Regulation, including a five-year deadline for recovery of sums owed to the Community. It also called on the Member States to prove their compliance with international accounting standards and raised the possibility of the EU developing a common approach in this matter.

The committee referred to some well-known cases of wrongdoing (notably the 'Italburro' scandal over adulterated butter and the 'Blue Dragon' affair involving Spain and France), and stressed that "the Commission should not only seek to recover European funds from a Member State where they have been misused, but should also use its best endeavours to see that wrongdoers are prosecuted and their victims compensated". The possibility of closer cooperation with Eurojust and Europol needed to be explored in order to strengthen the real protection of the Union's financial interests, and an evaluation should be carried out into the possibility of OLAF's full administrative independence from the Commission and the other institutions.

The committee noted that OLAF did not possess suitable information on the quantities of incriminated products, while undertaking the inquiries in a criminal law context had proved "disastrous from the viewpoint of recovery, even if it is true that in strictly legal terms OLAF is entitled, on behalf of the Commission, to contest a national decision". MEPs also recalled that, while in some countries recovery proceedings may be initiated even if a criminal action is under way, in others criminal law has precedence over civil law, so that the existence of an action on the part of a judicial authority makes it impossible to recover the disputed sums. The committee deplored the fact that "in some Member States irregularities and frauds are admitted only in respect of individually proven sums, that is, lot by lot, and that where no lot is present the operator is automatically deemed innocent".

The report said that the creation of the office of European Public Prosecutor would be a decision of major importance, since it would facilitate direct access to the national public prosecutor's offices, thus working in the interests of a more 'joined-up' procedure. This should help reduce complexity, since the result should be a converged use of the European Prosecutor's services. The committee pointed out that, while OLAF enjoys powers of intervention in the context of its inquiries, it does not enjoy judicial powers. The report also noted that the project to establish a European Public Prosecutor must be regarded more as a long-term undertaking, and that, in order to achieve an improvement in the short term, "coordination between Member States' public prosecutors must be central to plans to create added value", in terms of reducing OLAF's workload and protecting the financial interests of the Community.

Recovery of Community funds

The European Parliament adopted a resolution based on the own-initiative report drafted by Paulo CASACA (PES, PT) on the recovery of Community funds. (Please see the summary of 13/09/2006.)