MED programmes. Special report 1/96 Court of Auditors

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Presenting his report on the management of MED programmes from 1992 to 1994, Mr Manuel FABRA VALLES (EPP, ES) did not question the principle of decentralised cooperation or the Commission itself politically speaking. However, he was very critical about the management of these programmes. He called for the judicial authorities in the Member States to be informed about certain facts highlighted by the Court of Auditors in its special report and for certain Commission officials to be questioned. He also denounced the Commission's slow political reaction. Although he absolved the Commission of directly participating in the maladministration, the rapporteur did attribute it with political responsibility. He was particularly astonished that the national judicial authorities had not looked into this matter themselves on the publication in the Official Journal of the Court of Auditors' report and even more so that the delegation of powers to ARTM, an association under Belgian law entrusted with managing the MED programmes, had occurred quite openly, without any official finding any reason to object to this for over three years. Moreover, it was seemingly 'Commission officials' who had contributed to the creation and operation of a system which had impeded the proper administration of Community funds, particularly by allowing the ARTM administrators to have access to completely confidential internal information. The rapporteur underlined, however, that the Commission had taken the right decision in suspending the application of programmes and in demanding the resignation of the ARTM administrators and the repayment of ECU 2.16 million from certain technical assistance bureaux involved. According to the rapporteur, the Commission was, however, still guilty, at least politically, of having delegated extensive powers to an external agency which it had 'helped to create', without any clear legal basis, even though the Consultative Committee on Purchases and Contracts of the European Commission had already given a 'warning' about the development of this agency. The rapporteur also highlighted that ARTM was external only in appearance as it had been created on the Commission's initiative with money from the Commission itself. In addition, the latter had seconded some of its DG IB officials who had retained supreme control over all financing dossiers. It could not therefore have been in any way unaware of the contract award conditions. Although it was true that no disciplinary measures had yet been taken by the Commission against the officials involved, the rapporteur was pleased that an administrative inquiry had recently been initiated by the Commission, on the initiative of Mr Manuel MARÍN. During the debate, the Vice-President of the Commission, Mr MARÍN, was keen to respond to the complaints of Members. He firstly wanted to dispel all the concerns about the management of the MEDA programme which was a new form of decentralised cooperation set up following the Barcelona Conference. He then indicated that 80% of what Parliament was calling for in its resolution had already been done. The Commission had taken 'very harsh' measures and the innocent had ended up suffering because of the wrongdoers. He was also concerned that no Members had come to the defence of the 'NGOs, institutions and technical assistance bureaux which acted honestly'. Citing all the steps which had already been taken (even before the publication of the Court of Auditors' report) by the Commission to stop the fraudulent projects and recover the money lost, Mr MARÍN indicated that criminal proceedings had been started (against ISMERI in particular) through a national criminal prosecution (Italy). Finally, he indicated that measures had been adopted to ensure that this type of problem could never occur again (particularly in the MEDA context). An early warning system had therefore been set up allowing any programme which was suspected of irregularities to be suspended. Speaking again, Mr FABRA VALLES indicated that this case was a classic 'example' and that Parliament had primarily given a political opinion. To deal with similar cases in the future, early warning or diagnostic systems should be established. The rapporteur then highlighted the urgent need to have a truly independent anti-fraud unit. Other Members also insisted that the MED programmes blocked by the Commission since this affair should be restarted.