

## Commission to recover € 161.9 million of CAP expenditure from the Member States

*A total of € 161.9 million of EU farm money unduly spent by Member States is to be claimed back, following a decision adopted today by the European Commission. The money will be recovered because of inadequate control procedures or non-compliance with EU rules on agricultural expenditure. Member States are responsible for paying out and checking expenditure under the Common Agricultural Policy (CAP), and the Commission is required to ensure that Member States have made correct use of the funds.*

Commenting on the decision, Mariann Fischer Boel, Commissioner for Agriculture and Rural Development, said: ““This is a vital process in ensuring that taxpayers’ money is used properly and that all unduly spent amounts are recovered. We have made enormous progress over recent years in improving controls and I am determined that these efforts will continue in the future.”

### Main financial corrections

Under this latest decision, the 22<sup>nd</sup> since the 1995 reform of the system for recovering unduly spent CAP money, funds will be recovered from Greece, Spain, France, Ireland, Italy, Portugal and the United Kingdom. The most significant individual corrections are:

- **€ 77.13** million charged to **France** because direct aid was paid for ineligible land, and sanctions were not applied;
- **€ 33.36** million charged to **Spain** for the weaknesses concerning the key control on the management of production potential, i.e. the ban on vine planting without the prior award of replanting or new planting rights;
- **€ 9.41** million charged to **Italy** for incomplete checks on products withdrawn for destruction, late checks and insufficient rate of checks on accounting and documentation, insufficient checks on the quantity marketed, weaknesses in checks on product quality; no surveillance or verification of delegated controls;
- **€ 8.68** million charged to **France** for lack of checks on projects funded by means of soft loans, several deficiencies concerning the check of minimum standards, lack of a specific aid exclusion or reduction regime;
- **€ 8.07** million charged to **Greece** for imprecise identification of parcels receiving aid, poor application of cross checks against the IACS systems, deficient on-the-spot controls of surfaces and of Good Farming Practices.

For details on how the clearance of annual accounts system works, see [MEMO/06/178](#)

Full details of the recoveries for the latest decision, by Member State and by sector are given in the tables attached (annexes I and II).

**Clearance of accounts of EAGGF – Guarantee section**  
**Decision 22: Corrections by Member state**

Amount in  
million EURO

**Greece**

Rural development: various weaknesses in the system for management, control and penalties	6.46
Rural development: key controls inadequately applied	8.07

**Spain**

Arable crops: deficient aid application procedure, absence of computerized LPIS (Land parcel identification system) in a region (1998-1999)	2.07
Arable crops: non application of sanctions	0.32
Animal premium - OTMS: Animals subject of financing both for purchase and destruction, non-reliable administrative and accounting system	0.32
Milk products: aid paid for part of tracers added	0.14
Fruit & Vegetables: weaknesses in the determination of commercialized quantities, non-representative sampling in quality controls	5.29
Fruit & Vegetables: non-respect of payment deadlines	0.64
POSEI: non-respect of payment deadlines, shortcomings in key checks	4.35
Wine: deficiencies in managing production potential	33.36

**France**

Arable crops: ineligible land subject to financing, penalties for aid paid incorrectly	77.13
Olive oil: key controls not applied with sufficient rigor	0.16
Rural development: weaknesses in key and secondary controls and in controls on reduced-interest loans	8.68

**Ireland**

Animal premium - OTMS: administrative deficiencies	0.17
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**Italy**

Fruit & Vegetables: inadequate rate of controls on composting and biodegradation, deficiencies in the control system	9.41
Intervention storage: presence of Specified Risk Material, removal of neck muscle, acceptance of ineligible carcasses, poor storage conditions, labeling failings, reporting failings and inspection weaknesses, late payments	2.64

**Portugal**

Fruit & Vegetables: deficiencies in checks on the quantities receiving aid and in checks on full payment of the aid to beneficiaries, lack of supervision of delegated controls	0.26
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**United Kingdom**

Milk products: insufficient quantity controls on manufactured quantities, aid paid for part of tracers added	2.02
Export refunds: deficiency in the scheduling regime, failure to carry out the required number of substitution controls	0.37

<b>TOTAL</b>	<b>161.9</b>
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## Clearance of accounts of EAGGF – Guarantee section

## Decision 22: Corrections by Sector

In Mio. €

Animal premium	0.49
Arable crops	79.51
Export refunds	0.37
Fruit & vegetables	15.60
Intervention storage	2.64
Milk and milk products	2.16
Olive oil	0.16
POSEI	4.35
Rural development	23.21
Wine	33.36
<b>TOTAL</b>	<b>161.9</b>