EN E-006299/2020 Answer given by Ms Ferreira on behalf of the European Commission (6.4.2021)

On 16 December 2020, the European Parliament and the Council adopted the Regulation on a general regime of conditionality for the protection of the Union budget¹. This constitutes an important instrument to protect the EU budget against breaches to the principles of the rule of law

The Commission has consistently raised concerns on rule of law matters in Hungary, including as regards the need to reinforce the anti-corruption framework².

The Hungarian authorities are preparing as part of their efforts to improve administrative capacity an anti-fraud strategy with a view to the use of cohesion policy funds in the 2021-2027 period. The Commission will analyse the strategy and, where relevant, make recommendations.

The Commission has a zero-tolerance policy for the fraudulent and irregular use of the Union budget and relies on the work of the European Anti-fraud Office (OLAF), which has continued to investigate fraud cases, including in Hungary. Any concrete suspicions of fraud or misuse of EU funds should therefore be referred to the Office, which may open investigations. When suspected fraud or irregularity cases are confirmed, the Commission implements financial corrections. A significant example in the 2014-2020 funding period is a substantial financial correction (more than EUR 1 billion) imposed on Hungary in relation to irregularities in the area of public procurement in 2019.

The European Public Prosecutor's Office (EPPO) will also play a key role in investigating, prosecuting and bringing to judgment crimes against the financial interests of the EU. The Commission will continue to call on Hungary to sign up to the EPPO.

Finally, the legislative framework governing the use of EU cohesion policy funds for the period 2021-2027 includes reinforced provisions to tackle fraud and irregularities.

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¹ Entered into force on 1 January 2021.

² SWD(2020) 316 final.