

PIF Report: Reinforcing the protection of EU's finances

Today the European Commission has adopted its 2021 Annual Report on the protection of the EU's financial interests ("PIF" report). According to the report, the number of detected and reported cases of fraud and irregularities remained stable in 2021 with over 11 000 reported. The increase of available resources from the EU's long-term budget and the recovery funds heighten the demands on European and national players to step up their efforts to protect EU's finances against criminals and other wrongdoers.

Johannes Hahn, Commissioner for Budget and Administration, said: *"Today's report shows that in 2021, the anti-fraud efforts of the EU and its Member States were further reinforced. In some areas – for example, the Recovery and Resilience Facility – new and significant measures have been put in place. National authorities are in the frontline when it comes to fighting fraud against the EU's finances. The European Commission and the European Anti-Fraud Office (OLAF) worked closely with these authorities in 2021, and the newest anti-fraud player – the European Public Prosecutor's Office – started its operations. The amounts at stake and the different players involved require strong and continuous cooperation so that together we ensure that EU money reaches its intended beneficiaries."*

The number of fraud and irregularities reported by the competent EU and national authorities - 11 218 in total - remained stable in 2021 compared to 2020, according to the report. The related irregular amounts increased to EUR 3.24 billion, due to a limited number of significant cases in some Member States.

To be prepared for new fraud risks and eliminate potential loopholes in the overall control architecture, the EU aims to further increase protection and coherence across the Union. The report stresses the importance of correcting problems in the transposition of EU legislation into national rules and of pursuing transparency, digitalisation of the fight against fraud and fraud risk management. To strengthen EU action along these lines, the Commission has put forward a legislative proposal to amend the Financial Regulation. The Financial Regulation sets out key rules for budget management, how EU funding is provided to beneficiaries, and how the EU institutions manage their own finances.

The 33rd Annual Report on the protection of the EU's financial interests published today [is available on the OLAF website](#).

Background

The EU and Member States share responsibility for protecting the EU's financial interests and fighting fraud. Member State authorities manage more than 85 percent of EU expenditure, including the Recovery and Resilience Facility, and collect the EU's traditional own resources. The Commission oversees both of these areas, sets standards and verifies compliance.

Under the Treaty on the Functioning of the European Union (Art 325(5)), the Commission is required to produce an Annual Report on the Protection of the EU's Financial Interests (known as the PIF Report), detailing the measures taken at European and national level to counter fraud affecting the EU budget. The report is based on information reported by the Member States, including data on detected irregularities and fraud. The analysis of this information allows assessing which areas are most at risk, thereby to better target action at both EU and national level. The report is accompanied by six working documents, providing additional and detailed information on several topics addressed in the report itself.

OLAF mission, mandate and competences:

OLAF's mission is to detect, investigate and stop fraud with EU funds.

OLAF fulfils its mission by:

- carrying out independent investigations into fraud and corruption involving EU funds, so as to ensure that all EU taxpayers' money reaches projects that can create jobs and growth in Europe;
- contributing to strengthening citizens' trust in the EU Institutions by investigating serious misconduct by EU staff and members of the EU Institutions;
- developing a sound EU anti-fraud policy.

In its independent investigative function, OLAF can investigate matters relating to fraud, corruption and other offences affecting the EU financial interests concerning:

- all EU expenditure: the main spending categories are Structural Funds, agricultural policy and rural development funds, direct expenditure and external aid;
- some areas of EU revenue, mainly customs duties;
- suspicions of serious misconduct by EU staff and members of the EU institutions.

Once OLAF has completed its investigation, it is for the competent EU and national authorities to examine and decide on the follow-up of OLAF's recommendations. All persons concerned are presumed to be innocent until proven guilty in a competent national or EU court of law.

For further details:

Jana CAPPELLO
Spokesperson
European Anti-Fraud Office (OLAF)
Phone: +32 2 29 85549
E-mail: olaf-media@ec.europa.eu
http://ec.europa.eu/anti_fraud



Eirini NIKOLAIDOU
Deputy Spokesperson
European Anti-Fraud Office (OLAF)
+32 2 29 83128
olaf-media@ec.europa.eu
http://ec.europa.eu/anti_fraud

