

Mr David Ondráčka
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Dear Mr Ondráčka,

Thank you for your letters of 21 January and 18 February 2019 concerning the alleged conflict of interests in the Czech Republic.

Let me start by stating that the Commission has taken action with respect to the complaint filed by your organisation in relation to this matter. The Commission has performed comprehensive audits on the management and control systems put in place by the Czech authorities and on their application to specific operations at stake. It is currently assessing their results and is providing information to the European Parliament on a regular basis while respecting the due process i.e., taking due account of the confidentiality requirements and the rights of the auditees. Once the audit procedures are finalised, the Directors-General responsible, in their role of authorising officers by delegation, will decide on any appropriate measures to be applied.

The EU funds at stake are under the responsibility of several Commission departments. As the Member of the Commission responsible for the budget and administration, I am leading a coordinated exercise in following up to allegations of non-compliance with Article 61 of the Financial Regulation 2018 and ensuring the political coordination of actions taken by the authorising officers by delegation to clarify the facts and to hear the auditees. It is within this capacity that I have written to Prime Minister Babiš outlining measures which could be taken to address the situation in the Czech Republic. The Commission is currently analysing the response received, in particular with regard to the announced measures taken by the Czech government and will draw its conclusions in due course.

It is important to remember that in shared management the Member States have the obligation to take all the necessary measures to protect the financial interests of the Union. This includes setting up and enforcing internal control systems capable of avoiding conflict of interests. The responsibility to assess the existence of a conflict of interests in a given case lies primarily

with the Member States. The Commission stands ready to guide them in the application of Union law.

As a precautionary measure, the Commission does not make any payment from European Structural and Investment Funds to Agrofert or related beneficiaries and will continue to do so until the facts have been clarified. This includes payments under the European Agricultural Fund for Rural Development.

Let me close this letter by restating the Commission's full commitment in dealing with this matter and its absolute priority to protect the EU budget.

Yours sincerely,



Günther H. Oettinger