



European Commission
Agriculture and Rural Development

Statement from Commissioner Fischer Boel on the Court of Auditors' Annual Report

As people who climb a mountain or run a marathon would know, one of the best feelings in life is the satisfaction of achieving a goal after working long and hard to get there. Today, I reach a goal which I set out when taking office in 2004: to get the Court of Auditors' (http://eca.europa.eu/portal/page/portal/eca_main_pages/splash_page) seal of approval on how we spend the agricultural part of the EU budget.



Year after year, we have improved our record. Last year we came so close that we could almost hear the Champagne corks pop but today marks a milestone. For the first time ever, the EU's financial watchdog has given spending on Agriculture and Natural Resources a green light. In other words: our books are in order.

This success is mainly thanks to recent reforms of the CAP, which have greatly simplified things for farmers and administrations. I am also pleased to report that the error rate is decreasing for Rural Development policy. Of course, we will strive to continue this improvement in the years to come.

Our efforts have brought results. Decoupling of aid payments is a major simplification. The success of the integrated administration and control system, IACS, has been acknowledged by the Court as well as the European Parliament.

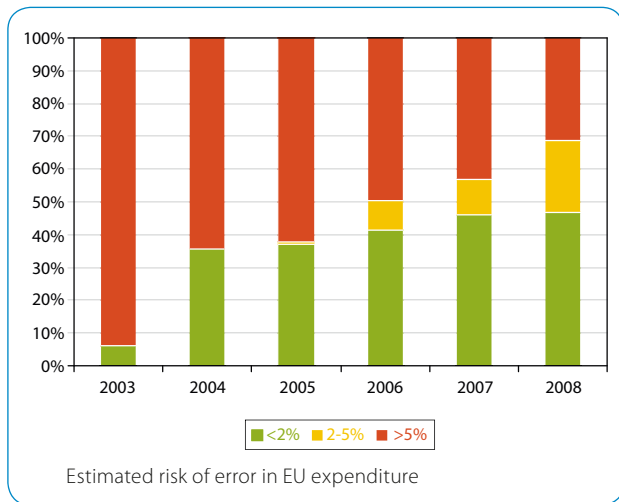
I am of course aware of the remaining difficulties, in particular in the area of Rural Development. There are more errors in this area because the commitments farmers have to respect are very detailed. However, these commitments are necessary to ensure that the measures achieve the objectives for which they are designed, particularly for agri-environmental measures.

We should also be very proud of achieving these major improvements in agricultural spending at the time of the biggest enlargement in the EU's history. The new Member States have made great efforts to successfully introduce the agricultural controls in a very short space of time.



Last year we also threw open the curtains on the CAP so people can now go online to see who gets what from the agricultural budget (http://ec.europa.eu/agriculture/funding/index_en.htm). But taxpayers also have the right to know that their money is spent correctly and that it reaches the right recipients. We have now got the Court of Auditors' word that it does and that is, quite frankly, extremely satisfactory!

We must of course continue to take a firm stance on checks and corrections to lock in the progress we have made.



The year 2008 is the 15th year for which the Court has provided a statement of assurance on the legality and regularity of the transactions underlying the accounts of the EU budget. The Court has again found in 2008 a material level of error in many areas of Community expenditure, for which it gives an adverse opinion.

Within this overall picture, there have been significant changes over time. The chart below provides a "year to year comparison" as concerns the "legality and regularity" derived from testing of the transactions.

In the chart the classification of policy groups in green, yellow and red is based on whether the estimated error rate is below 2%, between 2% and 5%, or above 5%, respectively. For example, for 2008 the percentage of red indicates that the red policy group represents 31% of total expenditure.

For "Agriculture and natural resources" the chart distinguishes between component parts (Rural Development and other expenditure for 2007 and 2008). For other policy groups the relevant error range for the policy group as a whole is used.

The chart shows an improvement across years. The percentage of red policy groups has been decreasing. The decrease in red between 2007 and 2008 primarily reflects improvements in agriculture.