

Press release – Czech PM: MEPs call for conflicts of interest involving EU funds to be resolved



In a resolution, adopted on Friday by 510 votes in favour, 53 against and 101 abstentions, the European Parliament deplores that the Czech Prime Minister continues to be actively involved in implementing the EU budget while still allegedly controlling “Agrofert”, which is one of the largest beneficiaries of EU subsidies in Czechia.

While a formal EU investigation into conflict of interest is still ongoing, MEPs insist that those confirmed to be involved in these cases at the highest level of national governments have to choose among three possible ways to resolve this. They can give up their business interests, refrain from applying for EU funding or abstain from decisions that concern their interests, including ultimately by resigning from public duty.

MEPs ask the Commission to set up mechanisms to prevent conflicts of interest related to EU funds. The rules should include an obligation to publish the final beneficiaries of EU subsidies and direct payment ceilings per natural person.

Finally, the Parliament condemns use of “defamatory language and hate speech” used by Prime Minister Babiš against MEPs who were part of the [fact-finding mission to Czechia in February 2020](#) to follow up on reported irregularities in management of EU funds.

Quote(s)

[Monika Hohlmeier \(EPP, DE\), Chair of EP Budgetary Control Committee:](#) “If the conflict of interest of the Czech Prime Minister is confirmed, he has to remove his business interests by giving up control over any company receiving

EU subsidies, refrain from participating in decisions that impact subsidies received by any company where he is the final beneficiary, or ultimately, step down as a Prime Minister. Alternatively, any company under his beneficial ownership should cease to receive EU subsidies concerned by the alleged conflict of interest. We also call on the EU and the member states to do more to protect EU taxpayers' money from oligarchic manipulations. The existing mechanisms are apparently insufficient."

Next steps

The EU Commission's formal investigation into the Czech PM's conflict of interest has been ongoing since January 2019. In November 2019, all payments from the EU budget to companies directly or indirectly owned by PM Babiš were suspended.

In December 2019, the Czech prosecutor-general re-opened the investigation into misuse of EU funds by one of the Agrofert group's sub-projects "Stork nest". The investigation was originally opened following the report by the EU fraud watchdog OLAF.

Background

"Agrofert group" is a conglomerate of over 230 companies, with over 34,000 employees. Prime Minister Babiš established the Agrofert Group and allegedly still is its beneficial owner. The group has been one of the largest beneficiaries of EU subsidies: MEPs say the group has received CZK 973 284 000 (around € 36,5 million) in agricultural subsidies for 2018 alone and a further €16 million from EU Cohesion Funds over the period 2014-2020. Currently, no EU law obliges a member state to disclose the final beneficiaries of EU funds.