

EUROPEAN COMMISSION

PRESS RELEASE

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Commission unveils first EU Anti-Corruption Report

Corruption continues to be a challenge for Europe. Affecting all EU Member States, corruption costs the European economy around 120 billion euros per year. Member States have taken many initiatives in recent years, but the results are uneven and more should be done to prevent and punish corruption. These are some of the conclusions from the first ever *EU Anti-Corruption Report* published today by the European Commission.

The EU Anti-Corruption Report explains the situation in each Member State: what anti-corruption measures are in place, which ones are working well, what could be improved and how. National chapters in English and in national languages are available here: http://ec.europa.eu/anti-corruption-report

The report shows that both the nature and level of corruption, and the effectiveness of measures taken to fight it, vary from one Member State to another. It also shows that corruption deserves greater attention in all Member States.

This is illustrated by the results of a Eurobarometer survey on the attitudes of Europeans towards corruption published today. The survey shows that three quarters (76%) of Europeans think that corruption is widespread and more than half (56%) think that the level of corruption in their country has increased over the past three years. One out of twelve Europeans (8%) say they have experienced or witnessed a case of corruption in the past year. Eurobarometer results are available here.

"Corruption undermines citizens' confidence in democratic institutions and the rule of law, it hurts the European economy and deprives States from much-needed tax revenue. Member States have done a lot in recent years to fight corruption, but today's Report shows that it is far from enough. The Report suggests what can be done, and I look forward to working with Member States to follow it up", said Cecilia Malmström, EU Commissioner for Home Affairs.

The Irish government has undertaken substantial reforms in its anti-corruption policies. It has improved transparency around party funding and taken steps to respond to public concern. However, more work could be done to improve the capacity to prosecute and punish corruption cases in a timely manner. Further work could also be required to address the few remaining concerns around the funding of political parties, election and referendum campaigns and corruption risks related to conflicts of interest at local level, as well as in the area of urban planning.

Alongside an analysis of the situation in each EU Member State, the European Commission is also presenting two extensive opinion polls. More than three quarters of European citizens, and 81 percent of the Irish, agree that corruption is widespread in their home

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country. Four percent of Europeans, and three percent of Irish people, say that they have been asked or expected to pay a bribe in the past year.

Corruption affects all Member States - in many different ways

Here are some of the main corruption-related trends across the EU:

1. Control mechanisms

- Use of preventive policies (e.g. ethical rules, awareness-raising measures, easy access to public interest information). There are large differences between Member States concerning prevention of corruption. For some, effective prevention has contributed to a strong reputation of little corruption, others have implemented preventive policies in an uneven way and with limited results.
- External and internal control mechanisms. In many Member States, internal controls on procedures within public authorities (particularly at local level) are weak and uncoordinated.
- Conflicts of interest. Rules on conflicts of interest vary across the EU, and the mechanisms for checking declarations of conflicts of interest are often insufficient. Sanctions for violations of rules are rarely applied and often weak.

2. Prosecution and punishment

- Criminal law rules making corruption a crime are largely in place, in line with the standards of the Council of Europe, UN and EU legislation. Still, EU Framework Decision 2003/568/JHA on combating corruption in the private sector has been transposed by Member States into national law in uneven way.
- The efficiency of law enforcement and prosecution in investigating corruption varies widely across the EU. Outstanding results can be seen in some Member States. In some others successful prosecutions are rare or investigations lengthy.
- Comprehensive corruption crime statistics are missing in most Member States, complicating comparison and assessment. Procedural rules, including rules on lifting immunities of politicians, obstruct corruption cases in certain Member States.

3. Political dimension

- Political accountability. Integrity in politics remains an issue for many EU States. For instance, codes of conduct within political parties or elected assemblies at central or local level are often missing or lack teeth.
- Financing of political parties. Although many Member States have adopted stronger rules on party financing, considerable shortcomings remain. Dissuasive sanctions against illegal party funding are rarely imposed in the EU.

4. Risk areas

 Within Member States, corruption risks are generally higher at regional and local levels, where checks and balances and internal controls tend to be weaker, than at central level.

- Urban development and construction, as well as health case, are sectors vulnerable to corruption in a number of Member States.
- Some shortcomings exist regarding the supervision of state-owned companies, increasing their vulnerability to corruption.
- Petty corruption remains a widespread problem only in a few Member States.

Public procurement: an area vulnerable to corruption

The Report includes a special chapter on public procurement. This is a very important area for the EU economy, as approximately one fifth of the EU's GDP is spent every year by public entities buying goods, works and services. It is also an area vulnerable to corruption.

The Report calls for stronger integrity standards in the area of public procurement and suggests improvements in control mechanisms in a number of Member States. Detailed information and specific points suggested for further attention can be found in the country chapters.

Background

The EU Anti-Corruption Report covers all 28 EU Member States. It consists of:

- A **general chapter** summarising the main findings, describing corruptionrelated trends across the EU, and analysing how Member States deal with corruption in public procurement.
- **28 Country chapters** providing a snapshot of the situation regarding corruption, identifying issues that deserve further attention, and highlighting good practices which might inspire others.
- The Report also includes the results of **two Eurobarometer surveys** on the perception of corruption amongst European citizens on the one hand and companies on the other.

Useful Links

EU Anti-Corruption report including country chapters, Eurobarometer surveys, factsheets and questions and answers: http://ec.europa.eu/anti-corruption-report

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