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INTERNATIONAL EU

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Ms Corina Crețu  
European Commissioner for Regional Policy  
Rue de la Loi 200  
1049 Brussels

Brussels, 3 December 2018

Honourable Commissioner Crețu,

**Re: European Commission legal opinion on the Czech Prime Minister's conflicts of interest regarding EU funds**

I am writing to follow up on the letter sent by our colleagues in Transparency International Czech Republic on 19 September this year concerning potential conflicts of interest of the current Czech Prime Minister, Andrej Babiš, with regard to his role in budget implementation in the Czech Republic and as a recipient of EU funds (as the beneficial owner of Agrofert a.s.).

Since we wrote to you in September, we understand that the European Commission's legal service has written an opinion which confirms that Mr Babiš's economic interests in Agrofert a.s. and his role as Prime Minister constitute a conflict of interest as defined by Article 61 of the Financial Regulation that came into force earlier this year.

Given the risks to the financial interests of the Union posed by such a conflict of interest (Agrofert a.s. received €82 million in European Structural and Investment (ESI) funds in 2017), we ask you to clarify as soon as possible what steps the European Commission will take to ensure that such conflicts of interest are managed and mitigated. Specifically, we would wish you to clarify whether the Commission will:

- i. rule that Agrofert a.s. is ineligible for further ESI funds;
- ii. request that Agrofert a.s. reimburse any ESI funds paid since the new Financial Regulation came into force;
- iii. assess whether the Czech authorities have complied with their obligations to put in place adequate measures to prevent conflicts of interest with regard to EU funds – including under Mr Babiš's tenure as finance minister - and to publish this assessment.

We acknowledge the strong support of you and your services for robust measures to fight fraud and corruption in EU funding since the beginning of this mandate, and our request for speedy clarification of the measures the Commission will take in this case is made in the spirit of this shared commitment.

We are available for a meeting to discuss these matters and remain at your disposal for any further questions.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Carl Dolan', enclosed in a thin blue rectangular border.

**TRANSPARENCY INTERNATIONAL EU**

**CARL DOLAN – Director**

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