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Parliament report: no mechanism to address conflict of interest in Czechia

Andrej Babiš

This Thursday, the Budgetary Control Committee will adopt a report into the conflicts of interest around Czech Prime Minister Andrej Babiš, following a fact-finding mission to the Czech Republic, February 26-28. The [report](#) finds there is no clear mechanism in place in Czechia to prevent and address situations which may objectively be perceived as conflict of interests. While the Commission's audit process is still ongoing, one of its assessments stating a conflict of interest of Prime Minister Babiš with his private interest as owner of Agrofert, was [leaked late last year](#).

Daniel Freund MEP, Greens/EFA Member of the Budgetary Control Committee who took part in the mission to Czech Republic, comments:

"We cannot have a system where EU funds help create and perpetuate plutocracy at the heart of the EU. It's very clear that the problem of conflicts of interest is a structural one and the Commission must come up with a way to fix this.

"The EU needs the tools to ensure that Prime Ministers and other officials cannot abuse their position to enrich themselves with EU funds. The Council must not allow a situation where a Prime Minister is negotiating the future EU budget that he will benefit from personally.

"The Commission cannot allow Agrofert to receive any EU funds until all conflicts of interest are resolved. The Commission needs to make it clear that Mr Babiš and by the Czech government cannot pick and choose EU financial rules as it suits them."

Mikuláš Peksa MEP, Greens/EFA & Pirate Party Member of the Budgetary Control Committee who also took part in the mission to Czech Republic, comments:

"This report clearly states that there is currently no clear mechanism to prevent and address conflicts of interest in Czechia, and the Czech government must immediately rectify this. We collected evidence that proves fundamental systemic errors in the payment of subsidies in the Czech Republic. These serious findings undermine public trust about how EU taxpayers' money is spent in Czechia.

"This situation has gone on long enough, it's time to stop kicking the can down the road. The Commission must publish the results of the audits into Andrej Babiš so that Czech and EU taxpayers can see for themselves if there have been serious breaches of ethics and EU law.

"Andrej Babiš must stop calling into question the validity of the work of the European Parliament and Commission and resolve his conflict of interest."

The report can be found online [here](#).

Main findings:

- The Czech Prime Minister ought to cease calling into question the impartial and objective exercise of his functions, contravening Article 61 of the Financial Regulation, being actively involved in the implementation of the EU budget in the Czech Republic in his position as Prime Minister, while still controlling the Agrofert company as a founder and the sole beneficiary of two trust funds; The Czech Prime Minister should, therefore, renounce to participate in any budget-related negotiations in the European Council until his potential conflict of interests is fully resolved; The Council shall take all measures to ensure that any conflicts of interests are avoided during current and future budget/MFF negotiations;
- The Commission should ensure that the Agrofert company does not receive EU funds until the Czech Prime Minister's potential conflict of interests is fully resolved; The Commission should furthermore investigate whether the Czech government is continuing to pay subsidies to the Agrofert company to circumvent the Commission's precautionary measures and if this is the case, check whether this is line with the applicable rules on state aid;
- Should the existence of the Czech Prime Minister's potential conflict of interest be confirmed, he must resolve it by either selling his business interests, stop receiving any public subsidies or funding distributed by his government including EU funds, or stepping down as Prime Minister.

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