



EUROPEAN COMMISSION

Ursula von der Leyen
The President

Brussels, 19 AVR. 2021

Ares (2021) 1852358

Dear Mr Jakab, Dear Honourable Member,

Thank you for your open letter on the allocation of support from the European Union Solidarity Fund to Hungary in the context of the current pandemic.

I am aware of the grave health situation in Hungary. The European Union Solidarity Fund is a vivid sign of the solidarity of the European Union to help Member States tackle the pandemic.

The aim of the Fund is to alleviate the financial burden weighing on a State, and in particular on its public budget, affected by a natural disaster or a major health emergency. In this context, I would stress that the Fund is implemented through shared management, where the receiving state is in charge of selecting the operations and appointing the authorities in charge of implementation and control. However, the Commission takes all necessary measures to safeguard the EU budget. This includes carrying out audits, imposing financial corrections when the Commission identifies deficiencies or irregularities, or launching investigations in cases of suspected fraud.

At the European Council of 10 and 11 December 2020, the Member States reaffirmed their commitment to promote and respect the values on which the EU is founded, including the rule of law, and agreed on a general regime of conditionality for the protection of the Union budget. The new Regulation on a general regime of conditionality (the 'Regulation') applies from 1 January 2021. For the first time, the Union has a specific tool to protect its budget from breaches of the principles of the rule of law.

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As provided for in the Regulation, measures can be proposed by the Commission to the Council where it is established that breaches of the principles of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the Union budget or the protection of the financial interests of the Union in a sufficiently direct way.

The measures that can be proposed under the Regulation include, for instance, suspension and termination of payments, as well as prohibition of new legal commitments and financial corrections.

The Commission will assess alleged breaches in an objective, impartial and fair manner, while respecting the principle of proportionality. The rights of final beneficiaries will also be addressed. In particular, unless the decision imposing measures provides otherwise, the government entities of the Member State concerned must implement the programme or fund affected by the measures and continue making payments.

There is a wide range of rules and procedures to protect the EU budget including investigations by the European Anti-fraud Office and the European Public Prosecutor's Office, using early detection and exclusion systems, carrying out controls and audits and imposing financial corrections. In addition, in the context of the 2021-27 EU cohesion policy, the Commission will make use of the reinforced legal provisions to tackle fraud and irregularities.

Furthermore, the Commission has repeatedly raised concerns on the respect of the rule of law in Hungary as part of the European Semester and in the report on the Rule of Law, mainly in relation to the independence of the judiciary, the media and the need to improve competition in public procurement, and the anti-corruption framework. These are key institutions to prevent the abuse of EU taxpayer's money.

Let me reassure you that the Commission will continue using all the instruments available to effectively protect the EU budget.

Yours faithfully,



Ursula von der Leyen