



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT
Directorate K. Relations with other institutions; Communication and Documentation
Director

28.MAR08 007727

Brussels, 18/03/2008
K/MABS D(2008) 8648

Dear Sir,

Thank you for your letter dated 08.03.2008, registered on 10.03.2008, requesting access to documents under Regulation No 1049/2001¹ regarding public access to European Parliament, Council and Commission documents.

We enclose a copy of the documents which we hope will meet your needs:

1. Letter from Mr Jean-Luc Demarty, director general of DG Agriculture and Rural Development, to National Authorising Officer, Deputy Minister of Finance of Bulgaria Dimitar Ivanovski, concerning the suspension of financial assistance from the SAPARD program to Bulgaria.
2. Letter from Mr Jean-Luc Demarty, director general of DG Agriculture and Rural Development, addressed to deputy minister of agriculture of Bulgaria Mr Dimitar Peichev, from March 6, 2008 (number 006014).

Yours faithfully,



M. A. BENITEZ SALAS
Director K

Mr Nikolay Karamihov
Journalist
karamihov@europa.eu

¹ OJ L145, 31.05.2001, page 43.



05.MAR08 005949
EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT
Directorate EII. Rural development programmes II
EII.4 Pre-accession Assistance to Agriculture and Rural Development

Brussels,
WS/fa D (2008) 6016


Subject: Sapard Bulgaria – OLAF investigation into suspicion of fraud under Sapard measure 2 – processing and marketing

Dear Madam/Dear Sir,

Please find enclosed a letter addressed to Mr. Dimiter Ivanovski, Deputy Minister of Finance and National Authorising Officer, Ministry of Finance of the Republic of Bulgaria.

I would be grateful if you would ensure that the letter is handed over at your earliest convenience.

Yours faithfully,


Jean-Luc DEMARTY
Director General

Enclosure: Letter

Permanent Representation of the Republic of Bulgaria
to the European Union
107, rue d'Arlon
1040 Brussels

European Commission, B-1049 Brussels / Europese Commissie, B-1049 Brussels - Belgium, Telephone: (32-2) 299 11 11.
Office: L130-11/14A Telephone: direct line (32-2) 295.86.93, Fax: (32-2) 295.17.46
01SECWA-F-A (ACC-FINANC-PAYM) Bulgaria (BG) 2008-6016-Transmissie naar de afzender te NAO-BG (PDC: 103FTDEXP4-103FTPERBG)

05.MAR08 005949



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate EII. Rural development programmes II
EII.4. Pre-accession assistance for agriculture and rural development

Brussels,
E.II.4/WS/fa/ D(2008) 6016

Subject: Sapard Bulgaria – OLAF investigation into suspicion of fraud under Sapard measure 2 – processing and marketing

Ref.: My letter No 35028 of 22 December 2006
Your payment application No 18179 of 31.01.2008

Dear Mr Ivanovski,

The Directorate General for Agriculture and Rural Development (DG AGRI) has been informed by the European Anti-Fraud Office (OLAF) about an increasing number of new cases regarding suspicion of fraud under Sapard measure 2 – processing and marketing.

In 2006 OLAF already opened an external investigation into suspected fraud involving meat processing equipment funded under Sapard. With letter No 35028 of 22 December 2006 I asked you to exclude from future payment applications to the Commission any expenditure incurred in connection to this case, until OLAF is able to establish the extent of this suspected fraud. I am confident that you have ensured this in accordance with your statement provided in the payment applications submitted since then.

Based on this new information I have come to the conclusion that there is a high risk that EU-funds might be wrongfully paid for a larger number of projects under this measure than initially anticipated. I would therefore ask you now to exclude from future payment applications to the Commission any additional expenditure incurred under measure 2 "improving the processing and marketing of agricultural and fishery products" until, in accordance with Art. 7(6)(e) of Annex A of MAFA, we have received information necessary to clarify any elements in regard to the on-going investigations relevant to the payment applications concerned.

I may also inform you that in accordance with the above I have deducted the amount of € 177.522,00, representing the payments made under measure 2 declared since 7 December 2007, from the payment application submitted to the Commission on 31 January 2008.

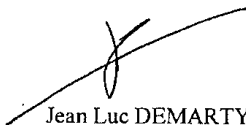
Mr Dimiter Ivanovski
Deputy Minister of Finance
National Authorising Officer
Republic of Bulgaria
102 G.S. Rakovski str.
SOFIA 1040
Bulgaria

05.MAR08 005949

In the meanwhile I would like to ask you to be particularly vigilant in regard to ensuring that controls of payments are undertaken by the Sapard Agency in full compliance with the accredited procedures on which the Commission has conferred management. This concerns not only measure 2 referred to above but all measures for which conferral of management has been granted. In this context I would like to recall the responsibilities of the NAO in regard to the compliance of the Sapard Agency with, in particular, the provisions of Articles 4 and 6(7) of Section A of the MAFA.

Finally I would like to inform you that representatives from DG AGRI (Mr. Mortensen and Mr. Vayanos) will be in Bulgaria to participate in the Sapard monitoring committee during 10-11 March 2008. I would appreciate if it would be possible for them to arrange a meeting with you to discuss the implications of the above as well as the absorption situation in 2008 having in mind that this is the last year of Sapard implementation.

Yours sincerely,



Jean Luc DEMARTY

Director General

Copy: Mr Brüner (OLAF)

06.MAR08 006014



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT
Directorate EII. Rural development programmes II

Brussels,
KM/pvd D (2007) 6703

Subject: Mission of Commission representatives in connection with the Sapard Monitoring Committee Meeting during 10-11 March 2008

Dear Sir/Madam,

Please find enclosed a letter addressed to Mr Dimitar Peichef, Deputy Minister of Agriculture and Forestry, Ministry of Agriculture and Forestry.

I would be grateful if you would ensure that the letter is handed over at your earliest convenience and thank you in advance for your kind assistance.

Yours faithfully,


Jean-Luc DEMARTY
Director General

Enclosure: letter

Permanent Representation of the Republic
of Bulgaria to the European Union
49, Square Marie-Louise
B 1000 Brussels

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11.
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05SECURMonitoring Committee/Bulgaria/14* MC(6703-Transmission note-Mission 10-11 March MC-BU

(PDC: 181MC1400)

06.MAR08 006014



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate EII, Rural development programmes II
EII.4. Pre-accession assistance for agriculture and rural development

Brussels,
KM/pvd D (2008) 6703

Subject: Mission of Commission representatives in connection with the Sapard Monitoring Committee Meeting during 10-11 March 2008

Dear Mr Peichev,

Thank you for the expedient response to my letter (0002414) of 30 January 2008 in regard to organising the monitoring committee meeting for Sapard. In this regard you are already informed that two representatives from my services (Mr. Mortensen and Mr. Vayanos) will participate in the meeting.

Given the serious problems related to absorption under Sapard registered in the course of last year and the substantial amount to be absorbed this year before closure of the Sapard programme, as well as the renewed investigations into fraud cases under measure 2 (processing and marketing), I believe it would be appropriate for the DG AGRI representatives to discuss these issues in depth with the relevant Bulgarian authorities during their mission. In regard to the above mentioned investigations I would like to inform you that I have sent a letter to the NAO, Mr. Ivanovski, informing him about my decision to interrupt payments under this measure until the situation in regard to the investigations has been clarified.

I would in particular ask that the following topics will be appropriately discussed:

- In addition to the regular preparatory meeting the above issues should be discussed with a view to clarify our respective opinions and prepare for the presentation and discussion of these issues in the Monitoring Committee as also requested in my letter mentioned above.
- A specific meeting with the participation of senior officials from the Sapard Agency and the National Fund to discuss the absorption situation for 2008 with a view to establish a realistic forecast for the remainder of the year as soon as possible.

Mr Dimitar PEICHEV
Deputy Minister of Agriculture and Forestry
Ministry of Agriculture and Forestry
55, Hristo Botev Blvd
BULGARIA – 1040 SOFIA


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DG ECR/Monitoring Committee/Bulgaria/14* MCG/03-Mission of EC representatives (10-11/03)Sapard MC

(DOC: 301MC148C)

06.MAR08 006014

In my letter to Mr Ivanovski I have also requested that a meeting should be arranged with him on the consequences of my letter to him.

My services will contact the Managing Authority for the practical arrangements of the above.



Jean-Luc DEMARTY
Director General

Cc: Sylvia Indjova, Director of National Fund Directorate,
Deputy National Authorising Officer
e-mail: s.indjova@minfin.bg