

9 November 2009

OPEN EUROPE'S 50 NEW EXAMPLES OF EU WASTE**€173,000 for a luxury golf resort**

€173,274 in EU funds were given to the luxury golf resort, Monte da Quinta Club, in the Algarve, Portugal,¹ where guests can choose between “the comfort of a villa with garden and private pool, or be dazzled by deluxe suites”.² There is also a luxury spa, health club, several restaurants and bars, shops and a hairdresser.

€2,500 for Chairman of Porsche's hunting retreat

Wolfgang Porsche, supervisory board Chairman of Porsche, received €2,500 in EU rural development funds for a small estate in Bavaria, Germany, where he goes hunting in his free time.³

€100,000 for a luxury Spanish hotel chain

€99,877 in EU funds for 2009 alone were granted to Tils Curt, a chain of luxury restaurants and hotels across Spain, established in 1880. The funds were given as part of the Regional Development Fund.⁴

'Donkeypedia': the blogging donkey

As part of the EU's €7 million 'Year of Intercultural Dialogue' initiative, the European Commission ran an art education project called “Donkeypedia”, in which a donkey travels through the Netherlands, and primary school children meet and greet the donkey. The aim of the project was “creating a reflection of all European identities. What are the similarities, what are the differences? What is it that makes Europe as unique as it is? Donkeypedia will try to make this feeling tangible by interacting and in dialogue with its surroundings while walking a European route through several countries and collecting data to support this image.” The donkey, named Asino, also maintained a blog throughout the walk. One entry reads: “We started really early today, Cristian slept in a

¹ Algarve regional development agency, http://www.ccdr-alg.pt/ccdr/parameters/ccdr-alg/files/File/upload//PO_Algarve_21/Projectos_Aprovados/Quadro_aprovacoes_webpage_emp_rev.pdf p.2

² See the club's website here; <http://www.mqclub.com/MQ.aspx?tabId=13&code=en>

³ TAZ, 'Bayerische Promis streichen Agrarhilfen ein', 4/8/2009; <http://www.taz.de/1/archiv/print-archiv/printressorts/digi-artikel/?ressort=wu&dig=2009/08/04/a0076&cHash=0f03d0b936>

⁴ Andalusian Regional Government, *Account of Operations by Beneficiary: Andalusian Operative Programme FEDER*, September 2009;

[http://www.dgfc.sggg.meh.es/aplweb/pdf/DescargasFondosComunitarios/\(2104\)AN1.pdf](http://www.dgfc.sggg.meh.es/aplweb/pdf/DescargasFondosComunitarios/(2104)AN1.pdf) p.182; see also; <http://www.tilscurt.com/>

bed in a house. It was a crazy morning waking up. I was under a chestnut tree sleeping in sand, when I opened my eyes there were animals all looking at me. I was embarrassed! Now I understand a little how people from different cultures may feel in the Netherlands.”⁵

€80,000 for a Swedish ‘virtual city’ in Second Life

In early 2008, Sweden’s third largest city, Malmö, was given an EU grant worth 800,000 Swedish kronor (€80,000), to create a virtual version of itself in “Second Life” - a fantasy world inhabited by computer-generated residents. The project was an attempt to reach out to young people and envisioned some of Malmö’s most famous buildings - such as its library and university - to be mirrored in Second Life. In addition, the project included plans for a virtual “citizens’ office”, in which City officials could do their work and meet with those inhabitants of Malmö who were active in Second Life (the number of Malmö residents active on Second Life is thought to be very small).

In May 2009, Malmö was launched as a ‘virtual city’. By then, the budget had been busted – and the project had been subject to massive criticism, as Second Life was no longer regarded as the future of social media – particularly not amongst young people. One of the politicians involved in the project said: “Malmö wants to be at the forefront of IT, but we’re aware that Second Life is probably not at the absolute forefront anymore.” Joakim Jardenberg, of Swedish IT-company Mindpark, added that he thought the project was a “bizarre joke” at first. “Second Life has never been particularly popular in Sweden. Facebook would have been a better tool”, he said. In March 2010 the project will be evaluated. If virtual Malmö does not have enough visitors by then, the project will be shut down.⁶

€50,000 for a ‘gender equal’ wood design centre

Local politicians in Orsa, a village of 5,000 inhabitants in Sweden, wanted a new wood ‘design centre’, describing the idea as “a catalyst and meeting place for all creative activities”. The project description stressed that “the building would clearly display a gender equality design.” The project won co-financing from the EU’s structural funds, which provided €850,000 of the €1.7 million that was budgeted for the project. However, when the funds ran out, the politicians decided to combine the wood design centre with the village’s other EU project, a wildlife centre, which had cost €3.2 million up to that point. The wildlife centre was in need of a spectacular new entrance hall – which became the wood centre. In their final report on the project the politicians confessed that the building had not necessarily promoted cultural events, but proudly emphasised that all parts of the building were “equally accessible regardless of gender.”⁷

€400,000 on a Marathon for a United Europe

⁵ <http://www.donkeypedia.org/>

⁶ Tillväxtverket (Swedish managing authority for the structural funds), see “Projektbanken”, <http://projektbanken.tillvaxtverket.se/sb/d/1335/a/8133>; Sydsvenskan, “Nu finns Malmö stad i Second life”, 10 May 2009, <http://sydsvenskan.se/malmo/article430331/Nu-finns-Malmo-stad-i-Second-life.html> ; Sydsvenskan, “Experterna gör tummen ner för Malmö stads satsning”, 6 May 2009, see <http://sydsvenskan.se/malmo/article430333/Experterna-gor-tummen-ner-for-Malmo-stads-satsning.html>

⁷ Näringsliv och utvecklingskontoret, Orsa Kommun ”Slutrapport Designtorg Trä (W3041-991-02) 1 Januari 2003-30 september 2007, see <http://www.projektbanken.z.lst.se/rapporter/Fil-200810311193.pdf> ; Expressen, “Björnkramar för miljoner”, 3 August 2009, see <http://www.expressen.se/Nyheter/1.1659350/bjornkramar-for-miljoner>

In September 2008 the EU spent €400,000⁸ on a “Marathon for a United Europe” for young people from across the EU. Among the aims for the three-day event in Greece was to “promote and support European citizen ideals.”⁹ On the official website the Marathon is described as “a completely European event supporting in every way the harmonious and prosperous coexistence of young people under the EU umbrella.”¹⁰

The Swedish cannabis farmer

A Swedish farmer received around 2,000 kronor (€200) in subsidies from the EU for land on which he grew cannabis plants. Selling the drug cannabis is illegal in Sweden, but growing the plant is allowed if it is used for “industrial” purposes - for example to produce robust nets – provided that the so-called THC dose in the plant is below 0.3%. The subsidy to the Swedish farmer in question was paid from the EU’s Single Farm Payment scheme, and the farmer had filled in all forms correctly. However, since farmers receive subsidies from this scheme irrespective of what they have grown on their land, there’s no obligation on the Swedish farmer to inform the authorities about what he actually intends to use the cannabis plants for.¹¹

€400,000 to get children drawing portraits of each other in the name of European citizenship

“Alter Ego” is an art competition running in at least 22 EU countries. The aim of the project, which used €400,000 of EU funds¹², is to encourage young people aged 14 to 18 to “explore different and varied identities, by creating a double portrait” – a portrait of themselves and someone from a different cultural background¹³. The competition is intended to “Raise the awareness of all those living in the EU, in particular young people, of the importance of developing an active European citizenship.”¹⁴

€198,500 for EU puppet theatre network in the Baltics

In 2008, the Estonian State Puppet theatre received €198,500 in EU funds for a project with the Latvian State Puppet theatre and Vilnius puppet theatre, which aimed to “develop the cooperation between the puppetry masters and museology specialists with the EU in order to find new and innovative ways on how to archive the puppet performances and present the exhibits in the puppetry art museums; encourage the Baltic countries to take more actively part in the intercultural dialogue; encourage the creation of puppetry art museums in other European puppet theatres.”¹⁵ This is not to be confused with the €105,996 EU grant the Estonian State Puppet Theatre received in 2006 “to explore the similarities and diversities within a range of European cultures and cultural expressions”, as reported in last year’s list of examples of EU waste.¹⁶

Anti-smoking “super heroes”: €72 million to fight tobacco, €293 million to promote it

⁸ http://ec.europa.eu/dgs/education_culture/calls/docs/grants08dira.pdf

⁹ <http://www.britishcouncil.org/greece-sport-marathon-for-a-united-europe.htm>

¹⁰ http://marathonforaunitedeurope.com/index.php?option=com_content&view=article&id=50&Itemid=92

¹¹ Aftonbladet, “Odlar cannabis med EU-bidrag”, 19 August 2009, see

<http://www.aftonbladet.se/nyheter/article3128434.ab>

¹² http://ec.europa.eu/dgs/education_culture/calls/docs/grants08dira.pdf

¹³ http://www.eunic-europe.eu/EUNIC-website/fileadmin/user_upload/Press_info/Alter_Ego.pdf

¹⁴ <http://www.pact-online.ro/aedi-en.php>

¹⁵ http://eacea.ec.europa.eu/culture/funding/2008/selection/documents/selection_strand_1_2_1_2008/selection_results_strand1.2.12009.pdf

¹⁶ See: <http://www.openeurope.org.uk/research/top100waste.pdf>

The European Commission is behind an “innovative animated web series called Helpisodes” featuring a series of 12 videos with colourful characters, described as ‘Helpers’, aimed at helping people to quit smoking.¹⁷ The pilot episode introduced the main characters and explained how they came to be together and were transformed into “anti- smoking super heroes”. This formed part of its €72 million ‘HELP - For a life without tobacco’ campaign which included a “giant inflatable structure which will tour all 25 EU capitals”, and also features “HELP TV and cinema advertising”.¹⁸ Meanwhile, the EU continues to subsidise tobacco farmers in Europe, at a rate of €293 million a year, which MEPs voted to continue in May 2008.¹⁹

The ‘state of the art’ rest stop for cyclists

€2,100 of funds from the EU’s Leader+ programme were spent in Várgesztes, Hungary, on new rest stop for cyclists. However, despite the cost, it consisted of no more than 10 tree stumps buried in the ground.²⁰

€15,000 for “therapeutic equipment” at luxury drug rehabilitation centre

The local government in Andalucia, Spain gave €15,000 in funding for therapeutic equipment at a drug rehabilitation centre which already has four swimming pools, a basketball court, and a farm.²¹

EU farm subsidies for a Spanish Duke and the Catholic Church

The Duke of Infantado, Iñigo de Arteaga y Martín, whose family owns a castle in Madrid, was allocated over €27,000 in the latest list of beneficiaries of EU agricultural grants for the 2007-2013 period. Other prominent Andalucían family members also received hundreds of thousands of euros in grants, as did the Catholic Church which was granted just over €200,000.²²

Potato-go-round

In 2008, Greek potato farmers received funds from the EU’s Common Agricultural Policy to launch an advertisement campaign aimed at promoting potatoes in Sweden – and in particular Greek potatoes. The campaign received media attention, since most Swedes found the enterprise extremely odd, given how many potatoes are already grown in Sweden and given that the potato has been a central part of Swedish cuisine for the last 200 years, and is in no need of promotion. In addition, the brochures sent to Swedish households had apparently been translated from Greek using an online tool – such as Google translator – making the language hilariously awkward. EU Commission

¹⁷ See <http://en.helpers-eu.com/>

¹⁸ See <http://uk-en.help-eu.com/pages/%E2%80%9CHELP-%E2%80%93-For-a-life-without-tobacco%E2%80%9D-EU-laun-pressroomcommdetails-16-2.html>, May 2005

¹⁹ *European Parliament* vote on tobacco subsidies; <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+PV+20080520+ITEM-008-05+DOC+XML+V0//EN&language=EN> 20 May 2008

²⁰ *Index.hu*, ‘2,6 milliós uniós támogatás tíz fatuskóra’, 29/10/2009; http://index.hu/belfold/2009/10/29/2_6_millios_unios_tamogatás_tíz_fatuskóra/; See also list of Leader+ recipients <http://www.altalervolge.hu/>

²¹ *Andalucian Regional Government*, ‘Account of Operations by Beneficiary: Andalucian Operative Programme FEDER’, September 2009;

[http://www.dgfc.sqpg.meh.es/aplweb/pdf/DescargasFondosComunitarios/\(2104\)AN1.pdf](http://www.dgfc.sqpg.meh.es/aplweb/pdf/DescargasFondosComunitarios/(2104)AN1.pdf) p.11;

<http://www.marbellasolidaria.org/centros/comunidad-terapeutica-hacienda-de-toros.php>

²² *Andalucian regional government*, list of beneficiaries; <http://www.juntadeandalucia.es/economia/hacienda/fondoseuropeosenandalucia/beneficiarios.php>, p74

spokesman Michael Mann confirmed that the campaign had received EU funding, saying “it’s probably a campaign that doesn’t only run in Sweden but in several member states.”

Lars Elofson, the Chairman of the organisation “Swedish Potatoes”, said “If anything, I think [the Greek campaign] will strengthen the [Swedish] domestic potato market”. However, last year, Swedish potato farmers launched their own tit-for-tat campaign – using money from the same CAP funds – to promote Swedish potatoes.²³

‘Irish Bar’ and ‘Beach Club’ on Gibraltar

A firm from Gibraltar called Lord Nelson Ltd was given £145,422 in European Regional Development Funds under the project name “Irish Bar”²⁴. Twins Andy and John Hunter, who own Lord Nelson Ltd²⁵, operate four different bars in Gibraltar, with Irish themed pub O’Reilly’s, which opened on St. Patrick’s Day 2009, being their latest venture²⁶. Other projects funded in Gibraltar include the “Sporting Restaurant” owned by KOP Limited and the “Beach Club” owned by Jazz Nights Ltd, which received £80,000 and £114,000 each in EU funds²⁷.

€680,000 for “running costs” of NGOs promoting EU integration

In 2009 the EU allocated €680,000 for the “running costs of the Platform of European Social Non-Governmental Organisations”. Among the stated aims of this are: “giving citizens the opportunity to interact and participate in the construction of an ever closer union”, as well as “developing the conscience of a European identity”, and “reinforcing citizens’ sense of being part of the European Union.”²⁸

E(U)quality

Between July 2007 and June 2008, the EU funded a project designed to answer the questions: “how useful the EU is for women” and “which expectations and needs women have towards the EU”. This included establishing 11 “E(U)quality discussion cafés” in different Austrian, Slovak and German regional towns in order to give women “the possibility to approach the EU (which they often experience as a very abstract concept), to ask what the EU can bring them, what they expect from the EU and how they can participate.”²⁹

The Spanish fire festival in North Nottinghamshire

The European Regional Development Fund (ERDF), whose aim is to “strengthen economic and social cohesion in the European Union by correcting imbalances between its regions” was used to finance “Participate!”, a project run by Nottinghamshire City Council. Part of the project involved replicating the “Fallas Festival”, which takes place every March in Valencia, Spain. The “Participate!” brochure explains that the Fallas Festival involves “around 750 sculptures commissioned (up to 40 foot high) and about

²³ Norran, “Greker vill kranga potatis i Sverige”, 6 March 2009, see

<http://norr.se/nyheter/ekonomi/article257251.ece>

²⁴ Gibraltar EU Programmes Secretariat website: http://www.eufunding.gi/bene_erd.html

²⁵ See: <http://www.lordnelson.gi/huntertwins.php>

²⁶ See O’Reilly’s website: <http://www.oreillys.gi/about.html>

²⁷ Gibraltar EU Programmes Secretariat website: http://www.eufunding.gi/bene_erd.html

²⁸ See http://eur-lex.europa.eu/budget/data/P2010_VOL4/EN/nmc-titleN118C7/nmc-chapterN1232B/articles/index.html#N60651660651-0; and the Annual work programme of grants and procurement contracts for 2009

<http://ec.europa.eu/social/main.jsp?langId=en&catId=86>

²⁹ See <http://www.interculturaldialogue2008.eu/596.0.html?&L=0&L=0>

150,000 community participants. The sculptures are put on show and then burned alongside spectacular parades, music, fireworks and celebration.”

The project apparently included a trip to Valencia. One of the delegates from North Nottinghamshire explained, “On returning home, we were near desperate to put this new found knowledge from Valencia into practice and started by modelling faces in clay and casting them in plaster. We created some rather bizarre characters...We are also learning how to design and make the sculptures effectively and safely so that they can be burned.” The sculptures were paraded at Christmas light switch-on celebrations around the county and burned at a “grand festival finale” in February 2006.³⁰

The European Dance Caravan

The European Commission funded a “European Dance Caravan” – a project described as a “travelling dance extravaganza taking the best of traditional music and dance from eight European nations on a tour to all their territories.” The project was described as “once again demonstrating the powerful effects of successful intercultural mixing.”³¹

€30,000 for Big Brother-style ‘diary rooms’

As part of its ‘information’ campaign for the European elections, the European Parliament sent several ‘choiceboxes’ to tour the EU, in which voters could record a 20-second message to be relayed to officials and politicians in Brussels. The boxes cost around £33,000 each.³²

€40,000 for performing animal business

The Andalusian regional government gave €40,131 of EU funds to Animales Rompeolas, a company specialising in the hire of exotic animals such as tigers, elephants, camels, dwarf ponies and snakes for adverts, events and processions.³³ Animales Rompeolas also used the cash to launch camel trekking for tourists³⁴.

€2.4 million for children’s planetarium sold for €150,000

A planetarium in a children’s theme park in Northern Sweden had cost taxpayers 25 million Swedish kronor (€2.4 million) when it was opened in 2000, €850,000 of which came from EU subsidies. Five years later the project had turned out to be a complete fiasco and was sold to private buyers for €150,000³⁵.

€269,100 for luxurious spa

The Andalusian government gave €269,100 in EU funds to Termas Al Andalus, a centre for baths and massage in Spain which is “inspired in Arabic and Roman traditions of public baths”. The building has baths at 3 different temperatures, and other

³⁰ Nottinghamshire City Council, see <http://www.nottinghamshire.gov.uk/participate-aprjun05.pdf>

³¹ European Commission, DG Culture, see http://ec.europa.eu/culture/pdf/doc607_en.pdf

³² Scotsman, ‘Euro voters invited into ‘diary room’’, 6/4/2009; <http://news.scotsman.com/politics/Euro-voters-invited-into-39diary.5144555.jp>

³³ Andalusian Regional Government, ‘Account of Operations by Beneficiary: Andalusian Operative Programme FEDER’, September 2009:

[http://www.dgfc.sggg.meh.es/aplweb/pdf/DescargasFondosComunitarios/\(2104\)AN1.pdf](http://www.dgfc.sggg.meh.es/aplweb/pdf/DescargasFondosComunitarios/(2104)AN1.pdf)

p.28: See the company’s website here:

<http://www.animalesrompeolas.com/index1.htm>

³⁴ Telegraph, ‘How Brussels spends its money’; 13/9/2009:

<http://www.telegraph.co.uk/news/worldnews/europe/eu/6179244/How-Brussels-spends-its-money.html>

³⁵ Dagens Nyheter, “Gratis EU-pengar dyra”, 15/05/09: <http://www.dn.se/opinion/huvudledare/gratis-eu-pengar-dyra-1.865360>

complementary services such as aromatherapy, massage, hydromassage, mud baths and relaxation zones. One of the courtyards opens up to the sky, whilst the other has a ceiling designed of crystal and cast iron.³⁶

€400,000 for videomaking festival to promote EU citizenship

The European Cultural Foundation spent €400,000 on its 'Stranger' festival in Amsterdam³⁷, for 150 young people to develop their videomaking skills in the 'Stranger Academy'³⁸. Short films were entered into a competition aiming to promote 'intercultural dialogue' and EU citizenship. One of the winning 2008 films, "scriptwrited", told the story of a script writer who lives in two worlds, a world of dreams and the real world and in "who I am (not)" a young boy lists off the many things he cannot do, concluding "but I could record this film"³⁹.

€2.3 million MTV campaign "Europe can you hear me?"

In the run-up to the June 2009 European elections, EU Communications Commissioner, Margot Wallström announced the launch of a campaign, targeting the 18-24 year old age group, aiming to increase voter participation. The €2.3 million MTV campaign⁴⁰ culminated on 30 April with young people from European cities gathering to shout out "Europe, can you hear me?"⁴¹ Artists backing 'the shout' included Depeche Mode and the Italian singer Tiziano Ferro. Turnout at the elections hit an all-time record low of 43 percent.

€86,000 for bizarre Bulgarian 'dialogue' project

The EU funded a project in Bulgaria called "Our HOUSE - a Home for Our Unity in Sincere Embrace" as part of the European Year of Intercultural dialogue⁴². The project was awarded €86,000 from the EU budget to promote dialogue between various ethnic groups through the means of theatre, music and brochures. The promotional webpage states that "The planned activities are thematically distributed according to separate premises in the traditional Bulgarian home" and that "historically it is rare to see the orderly Bulgarian house burdened with riots"⁴³.

£77m a year just to administrate EU farm payments in the UK

A Parliamentary question from Lib Dem MP Tim Farron has revealed that the average administration cost for processing an individual EU Single Farm Payment claim in the UK is a whopping £742⁴⁴. A separate Ministerial statement from UK Environment Secretary, Hilary Benn, put the number of individual claims for 2007/08 at around 104,000. This means the total cost of administering these claims alone is a staggering

³⁶ Andalucian Regional Government, *Account of Operations by Beneficiary: Andalucian Operative Programme FEDER*, September 2009:

[http://www.dgfc.sqpg.meh.es/aplweb/pdf/DescargasFondosComunitarios/\(2104\)AN1.pdf](http://www.dgfc.sqpg.meh.es/aplweb/pdf/DescargasFondosComunitarios/(2104)AN1.pdf) p.180: also see: http://www.abcdesevilla.es/hemeroteca/historico-10-08-2003/sevilla/Sevilla/ba%C3%B1os-termales-velones-y-te-en-una-casa-del-siglo-xvii-de-la-calle-aire_166816.html

³⁷ http://ec.europa.eu/dgs/education_culture/calls/docs/grants08dira.pdf

³⁸ <http://www.eurocult.org/we-support-cultural-cooperation/programmes/media/stranger-festival/>

³⁹ <http://www.strangerfestival.com/finalists>

⁴⁰ See *Telegraph* journalist Bruno Waterfield's blog:

http://blogs.telegraph.co.uk/news/brunowaterfield/9437649/Politics_for_cretins_the_EU_way/

⁴¹ See the campaign website: <http://www.caneuhear.me/eu/the-shout/>

⁴² See *DG Culture* http://ec.europa.eu/dgs/education_culture/calls/docs/grants08dira.pdf, p7

⁴³ See http://www.dialogue2008.bg/en/?page_id=3

⁴⁴ *Hansard*, 26 Jan 2009 : Column 41W;

<http://www.publications.parliament.uk/pa/cm200809/cmhansrd/cm090126/text/90126w0009.htm>

£77 million.

14,645 of these claims were under £400 in value, far below the cost of administering the claims, and 636 were under £50. The total possible payout for these 636 claims is £30,315 but, using the average cost of processing an individual claim, could have cost £471,912 to administer.

The non-existent Italian oranges

Seven Italians were detained after it was discovered in 2002 that they had wrongly claimed over €4 million for producing orange juice. It turned out that neither the juice, nor the oranges from which the juice was meant to be produced, existed in reality. The ring contacted unemployed individuals and convinced them to fill out various documents and disclose private information, promising future employment in return. Later, the ring used the data to falsify land certificates issued by the authorities, with the certificates carrying the name of the unemployed individuals. In this way the gang of seven obtained millions in EU grants.⁴⁵

£88 million in EU farm payments for multinational banks

Millions of pounds from the EU's farm subsidy scheme have been given to multinational banks and financial institutions. In 2007 alone, the EU paid out almost £88 million to various banks and financial institutions across Europe. It is unclear why these subsidies were given to banks, and due to the lack of transparency surrounding EU spending, it is difficult to obtain more details. However, the likely explanation is that the criteria for receiving EU grants are no longer linked to farming. Since 2005, about half of all farm subsidies are handed out irrespective of whether farmers grow or produce anything on their land. The banks that received farm subsidies in 2007 were: ING (Belgium) £618,000; Dexia (Belgium) £93,000; Fortis (Belgium, Netherlands) £1,785,000; Nordea (Denmark, Sweden); £522,000; BNP Paribas (France) £577,000; Credit Agricole (France) £62,400,000; Credit Mutuel (France) £6,780,000; Banques Populaires (France); £3,630,720; Credit Lyonnais (France) £360,000 and KBC Bank (Belgium) £10,900,000.⁴⁶

€41 million for inefficient European Parliament 'information offices'

In 2008, the European Parliament spent more than €41 million of taxpayers' money on 'information offices' around the EU⁴⁷. With 237 full-time staff in total, each member of staff costs the taxpayer €173,124 a year. Staff are paid on average €74,046 a year each. In the UK⁴⁸, there are 17 people working full time in these offices – 14 in London, and 3 in Edinburgh (as of July 2009). The total combined cost of the UK information offices is more than €3.9 million a year. This means the offices cost the taxpayer €233,103 a year, and they receive a hefty average salary of €87,545 each.

This is despite the fact that the 'information officers' are often unable to answer the simplest and most straightforward of questions about the EU and the European Parliament. For example, to cite just two recent examples, Open Europe was unable to get an answer about how much tax MEPs pay, or any details about the European

⁴⁵ <http://www.guardiacivil.org/prensa/notas/noticia.jsp?idnoticia=1015>

⁴⁶ Based on information from the Dutch, Belgian, French, Danish and Swedish governments as well as data obtained from www.farmsubsidy.org

⁴⁷ Report of the Secretary-General to the Members of the Bureau on the preliminary draft estimates of the European Parliament for the year 2009, 5 March 2008

⁴⁸ See <http://www.europarl.org.uk/about-us/about-us/whos-who>

Parliament's second pension scheme, and other answers took days to arrive. In contrast, the information offices of the Danish and Swedish Parliament, which are funded with national rather than EU money, provide an excellent and knowledgeable service, with a very successful policy of always answering within 24 hours.

Controversially, instead of just providing information, officers at the London office of the European Parliament act as a mouthpiece for the EU cause. The head of the London office, Dermot Scott, for example, recently wrote an article for the Guardian in defence of the European Parliament's notoriously lax system of MEPs' pay and expenses⁴⁹.

£3,220 for clowns and Morris-dancers in Barnsley

£3,220 of EU funds were given to Penistone Town Council to host the annual "Yorkshire Day" in 2006. The day hosted a variety of events, including a 90 minute performance by a pair of clowns and by junior Morris dancers.⁵⁰

€780,000 for fraudulent Spanish olive grower

An olive grower from Seville was sentenced in August 2009 to a year and a half in prison after fraudulently claiming €780,460 in EU subsidies for olive oil between 1996 and 1999. During sentencing it was brought to light that the olive grower had declared a production of 970,696 kilos of olives. According to the Agency for Olive Oil, it would have been impossible to produce over 594,712 kilos.⁵¹

€750,000 for "circus art for a new generation"

An EU grant worth €747,900 was given to a project which, according to the European Commission, "involved about 200 young people from different cultural backgrounds [who] had the unique opportunity to develop stimulating new performance acts for the modern circus, and thus to enthral transnational audiences with their spectacular shows." The Cirque Nouveau – as the circus was called – also ran a "summer school", which "created a cauldron of excitement, exchange, invention and discovery as performers in disciplines as diverse as the trapeze, fire-eating, dance and music met to train together."⁵²

EU caravan to encourage French participation in the European elections

As part of the campaign running up to the European elections, both the European Parliament and the EU Commission were involved in the funding of a "citizen caravan initiative", which involved an 'EU-themed bus' doing a 25-leg tour of France that covered 4,087 kilometres, with the aim of telling people about the EU institutions and promoting participation in the European elections.⁵³ Turnout for the European elections in France hit an all-time low at 40 percent.⁵⁴

⁴⁹ See <http://www.guardian.co.uk/commentisfree/2009/jun/02/europe-meps-expenses-meps>

⁵⁰ Penistone Online, see: <http://www.penistone.uk.com/leaderplusprojects.html>
http://www.barnsley.gov.uk/bguk/Council_Democracy/Press_Releases/2006-2007/2006-2007-July/2006-07-25_Yorkshire%20Day%20comes%20to%20Penistone.htm

⁵¹ *El Mundo*, 'Año y medio para un olivareo por fraude en las ayudas de la UE', 8/8/2009;
http://www.elmundo.es/elmundo/2009/08/08/andalucia_sevilla/1249728037.html

⁵² European Commission, DG Culture, see http://ec.europa.eu/culture/pdf/doc607_en.pdf and
http://ec.europa.eu/culture/archive/culture2000/pdf/projets2001/2001performing_pluri.pdf

⁵³ <http://www.touteleurope.fr/fr/actions/social/les-europeens-au-quotidien/actualite/actualites-vue-detaillee/afficher/fiche/3832/t/44161/from/2814/arcYear/2009/breve/la-caravane-civique-europeenne-2009-du-cidem.html?cHash=66253730fd> and
http://cidem.org/campagnes/2009/cce/documents/communique_presse_1.pdf

⁵⁴ See http://www.europarl.europa.eu/parliament/archive/elections2009/en/turnout_en.html

€7,087 to Seville's former beauty queen

Ángela Cristina Cañas Durán, who won the Miss Seville beauty pageant in 2006, was awarded €7,087 of EU funds by the Andalusian government to kick-start her event organising company.⁵⁵

€175m to protect dangerous landslides 'goes missing' in Sicily

In the last seven years, €175 million has been given by the EU to the Italian region of Sicily for "the protection and strengthening of mountainside basins, urban centres and infrastructures" but the funds have been used either to finance the region's budget deficit or have disappeared. Following the lack of investment, torrential rain caused landslides in the city of Messina on 30 September 2009, which resulted in 25 deaths, 35 missing persons and 704 homeless people. A similar tragedy occurred in the same area in 2007⁵⁶.

£62,000 in EU farm payments to Coca-Cola

Between 16 October 2007 and 15 October 2008, Coca-Cola received £62,263.54 in EU agricultural subsidies for its bottling plant in Lisburn, Northern Ireland.⁵⁷

'B of the Bang' for our buck?

A 184ft "B of the Bang" sculpture in Manchester, designed to represent an exploding firework and co-financed by the EU's European Regional Development Fund to the tune of €800,000, featured in our list last year. However, it had to be dismantled in April because the sculpture's exploding spikes, which swayed in the wind, began to fall off causing a safety hazard⁵⁸.

€355,000 for storytelling project to "recapture a common imaginary world"

As part of its 'European Year of Intercultural Dialogue' the EU funded a storytelling project for children in several EU countries, in order to share stories of the creation of the world, or "Cosmogony". The project, called "iyoweshare the World" invited expert "storytelling artists", musicians and plasticians (artists who work with plastic) in order to "recapture a common imaginary world and share it artistically as widely as possible."⁵⁹ It used €355,756 of EU funding⁶⁰.

€3,000-an-hour EU TV channel

The European Parliament's TV channel, Europarl, costs taxpayers around €9 million per year and yet it has received nowhere near the amount of interest predicted (20-40 million viewers annually).⁶¹ Between its launch on 17 September 2008 and January 2009 only 120,000 viewers had visited the site, most of which visited during the first week.⁶² It has

⁵⁵ <http://www.farodechipiona.com/noticia/6117.html>

http://www-origin.abc.es/hemeroteca/historico-12-12-2006/sevilla/Gente/el-patio-angela-cristina-ca%C3%B1as-nazarena-empresaria-y-miss-sevilla-2006_153401842573.html

http://www.juntadeandalucia.es/institutodelamujer/IMG/pdf/listado_concedidas_en_pdf.pdf

⁵⁶ *Le Figaro Économie*, 09/10/2009

⁵⁷ See Defra, CAP Payments Search; <http://cap-payments.defra.gov.uk/Search.aspx>

⁵⁸ BBC, 'Work starts on Bang dismantling', 15/4/2009;

<http://news.bbc.co.uk/1/hi/england/manchester/7999570.stm>

⁵⁹ <http://www.iyowesharetheworld.eu/site/>

⁶⁰ http://ec.europa.eu/dgs/education_culture/calls/docs/grants08dira.pdf

⁶¹ http://www.europarl.europa.eu/pdfs/news/expert/background/20080901BKG35904/20080901BKG35904_en.pdf p.11

⁶² See EUX.tv, <http://www.eux.tv/2009/01/24/24-mln-euro-europarltv-draws-120000-viewers-report-says/>

also been estimated that the channel costs £53,000 for every hour broadcast.⁶³ There is almost no information on exact viewing figures. The preliminary 2010 EU budget stated that the Parliament “would welcome... some further information on 'the return' for this investment, notably in terms of viewing statistics and future perspectives”.

EU civil servants receive payout for bungled fraud investigation

14 EU civil servants investigated for suspected benefit fraud were each awarded €3,000 from the EU, after it transpired the EU's fraud watchdog, OLAF, failed to tell them that they were to face criminal proceedings in Italy.⁶⁴ In a 2002 audit, 230 officials at the Joint Research Centre in Italy - one fifth of the total number of employees there - were found to be claiming a disability benefit. €5.7m was disbursed to staff between 1996 and 2002, an average of €25,000 each.

OLAF said that this “could appear, at first sight, suspect, and should be the object of an in depth review”. However, on referring the case to the Italian judiciary to conduct an investigation, OLAF neglected to inform the civil servants. The EU's court for civil service employment disputes then ruled that this was in breach of their rights of defence, and awarded the 14 who brought a complaint €3,000 each in damages.⁶⁵⁶⁶

€4 million for project on Europe's TV heritage

In October 2009 the European Commission granted a €4 million subsidy to a project called ‘EUscreen – Exploring Europe's Television Heritage in Changing Contexts’, carried out by Utrecht University in the Netherlands. According to the European Journalism Centre: “The major objective of EUscreen is to stimulate the use of television archive content for the widest range of European user communities, and thus to advance active engagement with the cultural memory of Europe both at a national and a European level.”⁶⁷

€30 million invested in illegal hotels in Lanzarote

€30 million of EU funds were invested in the development of illegal hotels in Lanzarote between 1994 and 2006. The hotels were declared illegal by the High Justice Tribunal of the Canaries after it was ruled that the municipalities had breached a limit set on the number of hotels on the island.

Hotels such as *The Timanfaya Palace*, *The Princesa Yaiza*, *Nature Palace* and *The Rubicón Palace* received between €1 million and up to almost €7 million each, but were all declared illegal in 2007. The *Hotel Playa*, owned by José María Rosell, husband of Senator María del Mar Agüero, was never finished despite having received €1.6 million in 2000.⁶⁸

EU funding for 36,000 fake Spanish businesses

⁶³ http://blogs.telegraph.co.uk/news/brunowaterfield/8606746/The_EU_is_a_turn_off

⁶⁴ <http://berlaymonster.blogspot.com/2009/05/eurocrat-benefit-fraud-probe-ends-in.html>

⁶⁵ <http://englandexpects.blogspot.com/2009/05/another-day-another-fraud.html>

⁶⁶ <http://curia.europa.eu/jurisp/cgi-bin/gettext.pl?lang=fr&num=79909571F19050007&doc=T&ouvert=T&seance=ARRET>

⁶⁷ European Journalism Centre:

http://www.ejc.net/media_news/netherlands_receive_eur_4m_eu_grant_for_research_on_europes_television_heri/

⁶⁸ *El País*, ‘La UE pedirá 30 millones por hoteles ilegales de Lanzarote’, 22/7/08;

http://www.elpais.com/articulo/espana/UE/pedira/millones/hoteles/ilegales/Lanzarote/elpepiesp/20080722elpinac_15/Tes

The National Institute of Business in Spain has confirmed that 36,000 of the 228,000 businesses which received funding from FORCEM, a foundation based in Spain which is funded by the European Social Fund, did not exist. It was estimated that no less than €100 million of the €600 million donated by the EU was wasted on these fake businesses. The companies had claimed money for training courses from the foundation but according to legal sources, in 2001 alone, 159,000 courses with 2 million students were funded, the majority of which were not carried out.⁶⁹

Ghost tobacco

In an operation named "Ghost tobacco", EU anti-fraud watchdog OLAF uncovered a scheme involving the claim of €3 million of EU agricultural subsidies for over 900,000 tons of non-existing raw tobacco.⁷⁰

€725,000 on 'body scanners' left to rust in a basement

In the aftermath of the terrorist attacks in New York in September 2001 the European Commission spent €725,000 on six controversial 'body scanners' to install in airports across Europe. In October 2008 the European Parliament voted against the use of the scanners, leaving them unused and, as of January 2009, without a buyer.⁷¹

The 'Bulletin-board tender'

In 2008, the Slovakian Construction Ministry under the helm of Marian Janušek of the SNS party, announced a multi-million euro tender for "technical support" for the distribution of EU funds, including designing logos for subsidy-issuing institutions and marketing campaigns. However, the tender notice was posted only on a bulletin board in a ministry hallway behind a locked door to which members of the public do not normally have access. The contract, worth €120 million, went to a consortium of two companies, Zamedia and Avocat – both of which are said to have close links to SNS leader Ján Slotá. The scandal cost Janušek his job and the European Commission is currently investigating the allegations⁷².

€12 million to cultivate the 'land of the dead'

Twelve people owning three different farms in Sicily pocketed €12 million from the European Agricultural Guarantee Fund. The Guardia di Finanza, the Italian tax and border police body, discovered that the land that was declared for the cultivation of oranges and lemons either belonged to deceased people or had schools or railways on it.⁷³

BACKGROUND

⁶⁹ *De Galicia Xornal*, '36.000 empresas falsas pidieron subvenciones para formación, según el INEM', 17/10/2002, <http://clasica.xornal.com/article.php?sid=20021017193335>

⁷⁰ OLAF, press release, 23/4/2008;

<http://europa.eu/rapid/pressReleasesAction.do?reference=OLAF/08/05&format=HTML&aged=1&language=EN&guiLanguage=en>

⁷¹ *EUobserver*, 'European Parliament may sell body scanners', 21/1/2009; <http://euobserver.com/9/27451>; *Die Welt*, 'Body scanners sit in European Parliament's basement', 10/12/2008; <http://www.welt.de/english-news/article2856243/Body-scanners-sit-in-EU-Parliaments-basement.html>

⁷² *Slovak Spectator*, 'Tender under the magnifying glass of Brussels', 20/4/2009;

http://www.spectator.sk/articles/view/34991/2/construction_minister_marian_janusek_resigns_post.html

⁷³ *La Repubblica*, 'Nell' agrumeto c'era la scuola scoperta la truffa sui fondi Ue', 10/7/2009;

<http://ricerca.repubblica.it/repubblica/archivio/repubblica/2009/07/10/nell-agrumeto-era-la-scuola-scoperta.html>

WHAT DID THE AUDITORS SAY IN THEIR REPORT ON THE 2008 EU BUDGET?

In its report on the 2008 EU budget, the ECA refused to sign off on *how* the money from the EU's 2008 budget had been spent. While saying that the overall situation is improving, the Court noted that a number of spending areas in the budget are still "materially affected by errors". These include the EU's policies on cohesion; research, energy and transport; external aid and enlargement; and part of the agricultural programme.

However, the ECA gave an unqualified or clean opinion on *the reliability* of the 2008 EU accounts. This means that the Court considers the EU Commission's accounts to present a fair and accurate picture of how much money was spent out of the EU budget.

The Court concluded that cohesion policy, or the Structural funds, which is the second largest spending area in the budget (representing almost a third of the budget), "remains problematic and is the area most affected by errors." The Court estimated that at least 11 % of the total amount paid out in grants from the Structural Funds should not have been paid out in the first place.

Crucially, the auditors noted that "In many situations the errors are a consequence of too complex rules and regulations. Simplification, therefore, remains a priority."

"Agriculture and natural resources" – part of the EU's Common Agricultural Policy (CAP) – was given a clean bill of health for the first time.

BACKGROUND INFORMATION ON THE EU BUDGET

The EU budget is worth about €975 billion (£875 billion) between 2007-2013. According to the Treasury, the UK pays in almost £10 billion a year into the EU's budget, on average (after the rebate), and gets back about £5.2 billion on average. Crucially, the UK's net contribution will go from £3 billion in 2009-10 (gross contribution £7.6 billion) to £6.4 billion in 2011-12 (gross contribution £12 billion), according to the Treasury's projection.⁷⁴ The UK is also the EU country that receives the least back from the budget per head.

Ultimate responsibility lies with the Commission

The EU Commission has consistently argued that responsibility for the mismanagement of the EU budget lies at the national level, not with itself, as 78 per cent of EU funds are distributed by member states in agricultural payments and structural funds. However, as the ECA made clear in this year's report, "Responsibility for the legality and regularity of spending on Cohesion Policies starts in the Member States, but the Commission bears the ultimate responsibility for the correct implementation of the budget." And in previous reports, the ECA has noted, "Regardless of the method of implementation applied, the Commission bears the ultimate responsibility for the legality and regularity of the transactions underlying the accounts of the European Communities (Article 274 of the Treaty)."

⁷⁴ See, http://www.hm-treasury.gov.uk/d/european_community_finances_2009.pdf

No link between spending and need

Crucially, the link between spending and need in the EU budget is weak. Per head, the top three recipients of EU funds continue to be old member states - Luxembourg, Belgium and Greece. France continues to be the largest recipient of EU funds of any member state in absolute terms. France receives €89 billion from the EU between 2007-2013, compared to €46 billion for the UK.

The CAP is particularly bad in this respect. The CAP currently transfers money from the poorest member states to countries like France and Spain. For example, in 2004, the 10 new member states paid nearly €1 billion more into the CAP than they got out of it (€835 million).

KEY AREAS OF EU WASTE

Agriculture

- The EU spends some €54 billion a year on various types of farm subsidies (compared to €42 billion in 2001). In its opinion on the 2008 EU budget, the ECA signed off parts of the agricultural budget but stated that the "rural development" spending is still subject to errors. The ECA noted that 32 % of the transactions involving EU rural development funds were affected by error.

Even without the fraud and mismanagement, the CAP is a wasteful and distorting policy:

- According to an OECD estimate for 2006, the "real" cost of the CAP is 125 bn euros a year, paid through higher prices and added taxes. The report also estimated that food in the EU is on average 20% above the world price, due to EU subsidies and tariffs.
- This hits the poor hardest because the bottom fifth of households in the UK spend 16% of their income on food - double the proportion spent by the richest fifth (7.5%)
- According to a 2005 report by Oxford Economic Forecasting, scrapping the CAP and reforming tariffs could make the bottom 10% of earners £437 a year per person better off.
- Since the introduction of the so-called Single Farm Payment a large part of CAP subsidies are now based on "area" and have nothing to do with actual farming and production. As a consequence, a large number of non-farmers are now receiving subsidies. In recent years there has been a rash of stories about payments to golf clubs, various royalties, pony clubs and a number of large multinationals such as Coca-Cola.
- The real winners from the system are landowners, as subsidies allow owners of land and suppliers of inputs to put their prices up by an equivalent amount and so "capture" the money spent on subsidies.

Structural Funds

- In its report, the ECA found that for the Structural Funds – which are worth around €45 billion a year – 43% of the funded projects contained "errors". In terms of "financial impact" the Court concluded that around 11%, or €4 billion, of the total amount reimbursed to member states in 2007 should not have been reimbursed – the same share as last year.

Like the CAP, even without the notorious problems with fraud, the Structural Funds remain largely wasteful:

- The Structural Funds are aimed at creating jobs and boosting Europe's competitiveness. In particular, the objective is to help poorer regions catch up with richer ones. However, there is no conclusive evidence that the Funds have had any positive economic impact. In fact, as the OECD has argued, the rate of "convergence" in the EU is very slow - at the current rate of convergence it would take 170 years to halve divergence across the regions in the EU. (OECD 2007)
- The EU will spend close to 310 bn euros in 2007-2013 on the Structural Funds. Of this, only slightly more than 50% will go the new member states - the rest will be spent in the EU-15. (DG Regio 2006)
- Bizarrely, each region, no matter how rich, receives some sort of EU funding. For example, one of the richest regions in Germany, Lüneburg, was granted a staggering 900 million euros from the EU for the 2000-2006 financial period.
- Even within the regions, the funds are poorly targeted. Research by Open Europe found that as little as 10-30% of funds given to South East England were spent in the poorest one-fifth of areas.
- As the ECA has pointed out separately, the EU's so-called N+2 rule (allocated funds must be paid out within two years or the money will be cancelled), encourages fast rather than wise spending. This has exacerbated problems with poor project selection.
- Even though regions now have significant autonomy in deciding which projects to select (*they must select projects*, or the funds will be cancelled), there are still restrictions on what they can spend the money on. For instance, national authorities are not allowed to spend funds on social housing.

Culture and citizenship projects

- The EU has a robust budget for promoting European culture and citizenship, particularly among young people. While this may on the face of it sound like a worthwhile way to spend money, it is clear from the EU's many policy documents and project briefs that the underlying aim of culture and citizenship initiatives is to promote the idea of European integration and 'ever closer union'.
- The EU makes millions of euros a year available in EU grants to all manner of projects intended to promote the EU and its policies in everything from schools to concert halls to cinemas, and even directly funds NGOs and organisations promoting European integration. This is an unacceptable use of taxpayers' money, since it

unfairly favours those who wish to see a more integrated EU at the expense of those who do not. Worse, it does not allow for a balanced debate about the future of Europe, and this is especially worrying when school children and young people are the targeted audience.

- In 2008 alone, the EU spent more than €2.4 billion promoting European integration and 'ever closer union' through a myriad of funding streams and through the various Commission departments – DG Culture, DG Education and Citizenship, and DG Communication.⁷⁵
- For example, more than €34m was dedicated to "Fostering European Citizenship", and a further €62m was spent on "Developing cultural cooperation in Europe." The very candidly stated aim of this is to generate support and justification for European integration. As the 2006 decision on the "Europe for Citizens" policy notes: "The Treaty establishes citizenship of the Union... It is an important element in strengthening and safeguarding the process of European integration."
- Likewise, the EU's €400 million Culture Programme states that: "For citizens to give their full support to, and participate fully in, European integration, greater emphasis should be placed on their common cultural values and roots as a key element of their identity."
- Many of the examples of this nature are included in our 50 top examples since they are simply bizarre, and it is very difficult to imagine how they could possibly represent value for taxpayers' money.
- There is also the wider question about whether or not the EU should even have a budget for culture, citizenship, education and communication in the first place, since it has no democratic mandate to legislate in these areas.

⁷⁵ For more see here: <http://www.openeurope.org.uk/research/hardsell.pdf>