



Committee on Budgetary Control

2015/2041(INI)

2.12.2015

OPINION

of the Committee on Budgetary Control

for the Committee on Constitutional Affairs

on transparency, accountability and integrity in the EU institutions
(2015/2041(INI))

Rapporteur: Tamás Deutsch

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SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Constitutional Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas transparency, accountability and integrity are key and complementary components in promoting good governance within EU institutions and ensuring greater openness in the functioning of the EU and its decision-making process;
 - B. whereas citizens' trust in the EU institutions is fundamental for democracy, good governance and effective policymaking;
 - C. whereas there is a need to reduce accountability gaps within the EU and to move towards more collaborative modes of scrutiny which combine democratic oversight, control and auditing activities while also providing more transparency;
 - D. whereas corruption has significant financial consequences and constitutes a serious threat to democracy, the rule of law and public investment;
 - E. whereas transparency, accountability and integrity should be the leading principles of the culture within the EU institutions;
1. Calls for an overall improvement in the prevention of, and the fight against, corruption in the public sector, and especially within the EU institutions, through a holistic approach, commencing with better public access to documents and more stringent rules on conflicts of interest, support for investigative journalism and for anti-corruption watchdogs, the introduction or strengthening of transparency registers and the provision of sufficient resources for law enforcement measures, and also through improved cooperation among Member States and with relevant third countries;
 2. Calls on all the EU institutions to enhance their procedures and practices aimed at safeguarding the financial interests of the Union and to actively contribute to a results-oriented discharge process;
 3. Underlines the need to enhance integrity and improve the ethical framework through better implementation of codes of conduct and ethical principles, so as to reinforce a common and effective culture of integrity for all EU institutions and agencies;
 4. Advocates the creation of an independent structure to oversee the application of various codes of conduct and arrangements for the protection of whistleblowers, with reference to the highest possible professional ethical standards, in the context of strengthening the public-sector accountability framework and the performance of administration thanks to better governance principles and structures at all levels;
 5. Considers it regrettable that the Council has still not adopted a code of conduct; is of the opinion that all the EU institutions should agree on a common code of conduct, which is indispensable to the transparency, accountability and integrity of those institutions; calls on those EU institutions and bodies which still do not have a code of conduct to develop

such a document as soon as possible;

6. Calls for those EU institutions which have introduced codes of conduct, including Parliament, to step up their implementation measures, such as checks of declarations of financial interests;
7. Requests that all EU institutions implement Article 16 of the Staff Regulations by publishing, on an annual basis, information about senior officials who have left the EU administration, as well as a list of conflicts of interest; requests that the aforementioned independent structure assess the compatibility of post-EU employment or the situation whereby civil servants and former Members of the European Parliament move from the public to the private sector (the 'revolving door' issue) and the possibility of a conflict of interest, and define clear cooling-off periods, which should cover at least the period for which transitional allowances are granted, during which officials and MEPs are required to behave with integrity and discretion or to comply with certain conditions when taking up new duties; calls for the aforementioned structure to be made up of independent experts from outside the institution to ensure that it can carry out its missions in complete independence;
8. Recalls the general principle which states that every person is presumed innocent until proven guilty according to the law;
9. Encourages the EU institutions and bodies to better raise awareness of the conflict-of-interest policy among their officials, alongside ongoing awareness-raising activities and the inclusion of integrity and transparency as an obligatory item to be discussed during recruitment procedures and performance reviews; considers that a distinction should be made between elected representatives and public officials in the legislation on conflicts of interest; believes that there should also be such regulations in the Member States for public officials and civil servants involved in the administration and monitoring of EU subsidies; calls on the Commission to submit a draft legal basis on this matter;
10. Welcomes the Commission's decision to increase transparency by improving its system of expert groups, particularly as regards the procedure for selecting experts, through the development of a new conflict-of-interest policy for experts appointed in a personal capacity, implying the possibility for Parliament to exercise direct control over such appointments; takes note of the requirement for experts to be registered in the transparency register where relevant; urges the Commission, however, to take into account the recommendations both of the European Ombudsman concerning the composition of the expert groups and of the study 'Composition of the Commission's expert groups and the status of the register of expert groups' when drafting amendments to the current horizontal rules governing expert groups, in order to create a more systematic and transparent approach; requests that the Commission engage in a dialogue with Parliament before the rules are formally adopted, especially in relation to the upcoming report of the Committee on Budgetary Control and the Committee on Legal Affairs on this matter; encourages the European agencies to consider reforms in a similar sense;
11. Is of the opinion that further steps need to be taken both to tackle ethical issues relating to the political role of lobbies, their practices and their influence and to promote safeguards for integrity, in order to raise the level of transparency of lobbying activities; proposes that common rules governing the pursuit of lobbying activities within the EU institutions

should be introduced;

12. Believes that the level of transparency should be raised through the creation of a legislative footprint for EU lobbying; calls for a proposal to be put forward that would enable publishing of all documents covering every step in the process of drafting legislation and that marks a definitive shift from a voluntary to a mandatory EU register for all lobbying activities for all of the EU institutions by 2016;
13. Calls on the Council to join the EU transparency register;
14. Considers, in this context, that a mandatory EU register must include clear provisions on the type of information to be recorded, i.e. accurate and regularly updated information on the nature of lobbying/legal activities, together with detailed records of contacts and input into EU law and policymaking; believes that a system of sanctions in the event of abuse must be envisaged under the supervision of Parliament; calls upon the Commission to submit its proposals for a mandatory register without further delay;
15. Demands that all those EU institutions that have not yet done so urgently adopt internal rules on whistleblowing and take a common approach to their obligations, focusing on the protection of whistleblowers; requests special attention for the protection of whistleblowers in the context of the Directive on the Protection of Trade Secrets; calls on the Commission to promote legislation on a minimum level of protection for whistleblowers in the EU; calls on the institutions to amend the Staff Regulations to ensure that they not only formally oblige officials to report irregularities of all kinds but also lay down adequate protection for whistleblowers; calls on the institutions to implement Article 22(c) of the Staff Regulations without delay;
16. Asks the EU institutions and bodies to apply strictly the measures pertaining to discretion and exclusion in respect of public procurement, with proper background checks being carried out in every instance, and to apply the exclusion criteria in order to debar companies in the event of any conflict of interest, this being essential to protect the EU's financial interests;
17. Believes that the discharge procedure is an important instrument of democratic accountability to the citizens of the Union; recalls the difficulties repeatedly encountered in the discharge procedures to date, owing to a lack of cooperation on the part of the Council; insists that an effective budgetary control exercise and the democratic accountability of the institution requires the cooperation of Parliament and the Council;
18. Insists that the Council must be accountable and transparent, as are the other institutions;
19. States that the annual reports of the EU institutions could play an important role in compliance regarding transparency, accountability and integrity; calls for the EU institutions to include a standard chapter on these components in their annual reports;
20. Considers the Commission's first biennial anti-corruption report to be a promising attempt to better understand corruption in all its dimensions, to develop effective responses with a view to tackling it, and to pave the way for enhanced accountability of the public sphere to EU citizens; reaffirms, in this context, the importance of the EU's zero-tolerance policy on fraud, corruption and collusion; considers it regrettable, however, that this report did not

include the anti-corruption policies of the EU institutions themselves;

21. Notes that the complex and multifaceted nature of corruption undermines democracy and the rule of law, and hinders and damages the EU's economy, credibility and reputation (in particular through concealment practices and pressure to deviate from initial policy objectives or to perform in a certain way);
22. Demands that in its second anti-corruption report, at the latest, the Commission carry out further analysis at the level of both the EU institutions and the Member States of the environment in which policies are implemented, in order to identify inherent critical factors, vulnerable areas and risk factors conducive to corruption;
23. Requests that the Commission pay particular attention in this regard to the prevention of conflicts of interest and corruptive practices in the case of decentralised agencies, which are particularly vulnerable considering the fact that they are relatively unknown to the public and are also located throughout the EU;
24. Reiterates its request¹ that the Commission report biannually to Parliament and the Council on the implementation by the EU institutions of their internal anti-corruption policies, and is looking forward to reading the next report in early 2016; asks the Commission to add a chapter on the performance of the EU institutions in fighting corruption and is of the opinion that the Commission's future anti-corruption reports should always cover all the EU institutions and bodies;
25. Considers the European Anti-Fraud Office (OLAF) to be a key actor in the fight against corruption and therefore believes that it is of the utmost importance that this institution work effectively and independently; recommends, in accordance with the OLAF Regulation, that the OLAF Supervisory Committee be given access to the information needed for effective execution of its mandate with regard to oversight of OLAF activities and that it be given budgetary independence;
26. Calls for the EU to apply for membership of the Council of Europe Group of States against Corruption (GRECO) as soon as possible, and for Parliament to be kept up to date with the progress of this application;
27. Calls upon the Commission to fulfil without delay its reporting obligations under the UN Convention against Corruption;
28. Encourages enhanced cooperation among Member States with a view to exchanging know-how and good practices, reinforcing international agreements on judicial and police cooperation, and bringing together the EU, the United Nations, the Organisation for Economic Cooperation and Development and the Council of Europe to formulate a coordinated action to fight corruption;
29. Recognises the important role of Europol and Eurojust in combating organised crime, including corruption; believes that these agencies should be given further powers to act in this area, especially with regard to transnational cases; recommends that the European

¹ European Parliament resolution of 11 March 2015 on the Annual Report 2013 on the Protection of the EU's Financial Interests (Texts adopted, P8_TA(2015)0062).

Public Prosecutor's Office (EPPO) be given a mandate covering organised crime, including combating of corruption; highlights that the tasks and responsibilities of the EPPO should be further clarified in order to avoid a potential overlap with the work of national authorities.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	1.12.2015
Result of final vote	+ : 21 - : 0 0 : 0
Members present for the final vote	Nedzhmi Ali, Inés Ayala Sender, Ryszard Czarnecki, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Jens Geier, Ingeborg Gräßle, Bogusław Liberadzki, Verónica Lope Fontagné, Monica Macovei, Georgi Pirinski, Claudia Schmidt, Igor Šoltes, Marco Valli, Tomáš Zdechovský
Substitutes present for the final vote	Benedek Jávor, Marian-Jean Marinescu, Julia Pitera, Miroslav Poche, Patricija Šulin