



2020/2133(INI)

20.11.2020

OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Constitutional Affairs

on strengthening transparency and integrity in the EU institutions by setting up
an independent EU ethics body
(2020/2133(INI))

Rapporteur for opinion: Derk Jan Eppink

PA_NonLeg

SUGGESTIONS

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

1. Recalls its resolution of 16 January 2020 on institutions and bodies of the Economic and Monetary Union: preventing post-public employment conflicts of interest¹, in particular its support for the proposal of the President of the Commission to create an independent EU ethics body common to all EU institutions, which would take decisions related to conflicts of interest;
2. Highlights that post-public employment and ‘revolving door’ conflict of interest situations are recurring concerns and a problem common to institutions, bodies, offices and agencies across the EU; considers that conflict of interest situations jeopardise the enforcement of high ethical standards in the EU institutions and agencies, thus compromising their integrity and damaging citizens’ trust in them;
3. Points out that the inherent complexities in financial regulatory policies, the information asymmetries between financial market players and public officials, and the lack of a harmonised framework of rules regarding conflicts of interest within the EU institutions and agencies make supervisors and regulators particularly susceptible to regulatory capture by the financial sector;
4. Stresses with concern the appointment of the former Executive Director of the European Banking Authority (EBA) as Chief Executive Officer of a financial lobby organisation, where, following an inquiry, the European Ombudsman found that the EBA should not have allowed the job move and that insufficient internal safeguards had been put in place to immediately protect confidential information once the planned move became clear; notes that this post-public employment with no cooling-off period contravenes EU Staff Regulations and constitutes not only a risk to the reputation and independence of the EBA, but to all Union institutions; welcomes, in this context, the measures implemented by the EBA following the recommendations of the Ombudsman;
5. Regrets, furthermore, with concern, that there has been a lack of consideration and of prevention and enforcement measures to avoid conflicts of interest in the Commission’s procedure on public tenders;
6. Notes that the application of the existing rules to Commissioners, Members of the European Parliament and EU officials has shown too many weaknesses; recalls that, according to a report by Transparency International EU, in early 2017, more than 50 % of former Commissioners and 30 % of former Members of the European Parliament who had left politics were working for organisations registered in the EU Transparency Register; stresses, in particular for elected Members, the necessity of transparency and accountability on personal and financial commitments; underlines that transparency and integrity issues at EU and national level are strongly interlinked; supports, therefore, the work of the Council of Europe’s Group of States against Corruption (GRECO), and

¹ Texts adopted, P9_TA(2020)0017).

calls on Member States to implement its recommendations, specifically those regarding the creation of a strict code of conduct for national politicians and the introduction of rules for post-public employment;

7. Recalls the repeated warnings from the European Ombudsman and the European Court of Auditors about major failures in the EU institutions' prevention of conflict of interest policies; points out the lack of alignment of the EU ethics rules with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Managing Conflict of Interest in the Public Service, which recommend identifying a central function responsible for the development and maintenance of conflict of interest policies and procedures; considers that the current legal framework for ethics and integrity in the EU institutions and agencies is highly fragmented, not fit for purpose, and in need of a thorough review with a view to strengthening independence and investigative powers;
8. Calls for a strengthening of the existing regulatory and enforcement framework for both pre-public and post-public employment conflicts of interest, in order to establish appropriate, clear, binding and proportionate boundaries between the public sector and the private and non-profit sectors and thus to improve the credibility of EU decision-making in the eyes of the wider public; welcomes in this regard the work done by the OECD, the European Court of Auditors, GRECO and the European Ombudsman;
9. Welcomes the additional transparency measures announced by the President of the European Central Bank (ECB) Christine Lagarde regarding the publication of the ECB Ethics Committee's opinions for cases of conflict of interest and post-mandate gainful employment by the members of the ECB's Executive Board, Governing Council and Supervisory Board; calls on the European Supervisory Authorities (ESAs) to adopt a similar approach and publish the relevant documents produced by their internal bodies in charge of conflicts of interest and post-mandate gainful employment;
10. Calls for the creation of an independent EU ethics body with the responsibility of ensuring the uniform application of ethics rules in all the EU institutions by carrying out oversight of conflicts of interest, 'revolving doors' and lobby transparency for all EU institutions and agencies;
11. Underlines that the European Ombudsman has been handling conflicts of interest complaints in the absence of a mechanism dedicated to this task on top of her other missions, and without having the proper means and power to enforce her decisions;
12. Points out that the new EU ethics body should be independent in terms of structure, governance and budget; underlines that the discussions on the exact composition and mandate of the ethics body should take due account of the opinion of civil society organisations;
13. Recommends that the EU ethics body be set up in a timely manner, so as to avoid cases of 'revolving doors' and conflicts of interest already recurring in the near future;
14. Underlines that this body should work in close cooperation with internal ethics committees in the EU institutions, the Transparency Register secretariat, the European Anti-Fraud Office and the European Ombudsman;

15. Takes the view that, in order to carry out adequately the definition, oversight and enforcement of the EU ethics and integrity rules within the EU institutions and agencies, including the lobbying rules and transparency, the designated independent EU ethics body should have appropriate human and financial resources, a carefully chosen composition ensuring its independence from political considerations and other interests, and a broad mandate empowering it with preventive, monitoring, investigative and sanctioning competences, powers, tasks and duties, including:
- monitoring pro-actively and sanctioning breaches of ethics and integrity rules within the EU institutions and agencies;
 - enforcing strict rules on pre-public and post-public employment, ‘revolving door’ and conflict of interest situations for all staff of the EU institutions and agencies, Members of the European Parliament and European Commissioners, including overseeing cooling-off periods and revising authorisations of a job move if it finds that a specific move constitutes a conflict of interest, and making binding recommendations in this regard;
 - technically and impartially reviewing secondary positions held by EU politicians and declarations of financial interests, including verifying whether imposed lobbying bans and control conditions are being maintained;
 - taking on an active role regarding complaints by designated entities, including whistle-blowers;
 - issuing administrative sanctions subject to possibilities for appeal and judicial review without interfering with the Treaties;
 - supervising the proper functioning and independence of the Commission’s decision-making process, including the creation and operations of Commission expert groups and similar entities;
 - giving advice on request and issuing annual reports about its work, including recommendations on its own initiative on how to further develop the EU ethics system;
 - monitoring conditions and lobby bans imposed on EU staff;
 - keeping an online ethics record at European level, thus providing access to key transparency documents;
16. Stresses that an EU independent ethics body will not be sufficient in itself to efficiently address conflict of interest situations within the EU institutions and agencies; considers that the review of the EU ethics and integrity rules could include measures such as extending notification and cooling-off periods of senior officials on a proportionate case-by-case basis, while ensuring equal treatment in line with Article 15 of the Charter of Fundamental Rights of the European Union, the strengthening of Directive 2014/24/EU on public procurement², mandatory divestment of interests in undertakings

² OJ L 94, 28.3.2014, p. 65.

that are subject to the authority of the institution to which an official has been newly appointed or which have dealings with that institution, mandatory recusal when dealing with matters that affect a former private sector employer, or bans on individual stock ownership by Commissioners and senior officials of EU institutions and agencies while in office; reiterates its call on the Commission to consider proposing a review of the relevant legal framework;

17. Recognises the need to strike a delicate balance, on a case-by-case basis, between regulating conflicts of interest, introducing strong measures which mitigate limitations to the individual right to economic freedom, such as posting information to job applicants about the conflict of interest system and any future employment restrictions, securing the unobstructed exercise of parliamentary and other institutional duties, and maintaining a dynamic labour market with mobility between the public sector and the private and non-profit sectors;
18. Is of the view that, if based on an objective procedure with clear criteria, longer 'cooling-off' periods for senior officials who leave an agency or institution are justified legal measures to protect the public interest and integrity of public bodies; considers that any prohibition of a professional move might, where appropriate, require a temporary allowance to be granted to bridge the intervening period before finding an appropriate job.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	19.11.2020						
Result of final vote	<table style="width: 100%; border: none;"> <tr> <td style="width: 100px;">+:</td> <td style="text-align: right;">26</td> </tr> <tr> <td>-:</td> <td style="text-align: right;">13</td> </tr> <tr> <td>0:</td> <td style="text-align: right;">20</td> </tr> </table>	+:	26	-:	13	0:	20
+:	26						
-:	13						
0:	20						
Members present for the final vote	Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Francesca Donato, Derk Jan Eppink, Engin Eroglu, Markus Ferber, Jonás Fernández, Frances Fitzgerald, José Manuel García-Margallo y Marfil, Luis Garicano, Sven Giegold, Valentino Grant, Claude Gruffat, José Gusmão, Enikő Győri, Eero Heinäluoma, Danuta Maria Hübner, Stasys Jakeliūnas, Othmar Karas, Billy Kelleher, Ondřej Kovařík, Georgios Kyrtzos, Aurore Lalucq, Philippe Lamberts, Aušra Maldeikienė, Pedro Marques, Costas Mavrides, Jörg Meuthen, Csaba Molnár, Siegfried Mureşan, Caroline Nagtegaal, Luděk Niedermayer, Piernicola Pedicini, Lídia Pereira, Sirpa Pietikäinen, Dragoş Pîslaru, Evelyn Regner, Antonio Maria Rinaldi, Alfred Sant, Joachim Schuster, Ralf Seekatz, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Ernest Urtasun, Inese Vaidere, Johan Van Overtveldt, Stéphanie Yon-Courtin, Marco Zanni, Roberts Zīle						
Substitutes present for the final vote	Manon Aubry, Patryk Jaki, Eugen Jurzyca, Maximilian Krah, Ville Niinistö, Mick Wallace						

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

26	+
GUE/NGL	Manon Aubry, José Gusmão, Mick Wallace
NI	Piernicola Pedicini
PPE	Frances Fitzgerald, Sirpa Pietikäinen
RENEW	Billy Kelleher
S&D	Marek Belka, Jonás Fernández, Eero Heinäluoma, Aurore Lalucq, Pedro Marques, Costas Mavrides, Csaba Molnár, Evelyn Regner, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli
VERTS/ALE	Sven Giegold, Claude Gruffat, Stasys Jakeliūnas, Philippe Lamberts, Ville Niinistö, Ernest Urtsun

13	-
PPE	Isabel Benjumea Benjumea, Stefan Berger, Markus Ferber, José Manuel García-Margallo y Marfil, Enikő Györi, Danuta Maria Hübner, Georgios Kyrtzos, Aušra Maldeikienė, Siegfried Mureşan, Lídia Pereira, Ralf Seekatz, Inese Vaidere
RENEW	Dragoş Pîslaru

20	0
ECR	Derk Jan Eppink, Patryk Jaki, Eugen Jurzyca, Johan Van Overtveldt, Roberts Zīle
ID	Gunnar Beck, Francesca Donato, Valentino Grant, Maximilian Krah, Jörg Meuthen, Antonio Maria Rinaldi, Marco Zanni
PPE	Othmar Karas, Luděk Niedermayer
RENEW	Filles Boyer, Engin Eroglu, Luis Garicano, Ondřej Kovařík, Caroline Nagtegaal, Stéphanie Yon-Courtin

Key to symbols:

+ : in favour

- : against

0 : abstention