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EU ANTI-CORRUPTION ACTIVITIES

FOLLOW-UP TO THE FIRST REPORT AND WAY FORWARD

Note prepared for the meeting between CAB President, CAB First Vice-President, CAB Avramopoulos

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CONTEXT

The EU Anti-Corruption Report (ACR) was set up in 2011 by a Commission Decision Establishing an EU anti-corruption reporting mechanism for periodic assessment. Pursuant to article 4, the report, "*accompanied by country analyses for each Member State including tailor-made recommendations shall be published by the Commission every two years.*"

In February 2014, the first EU Anti-Corruption Report (ACR) highlighted challenges and best practice, suggesting reforms tailored for each Member State.

Pressure has been mounting to release the second edition (due in 2016) in the European Parliament: the European Parliament resolution on the fight against corruption and follow-up of the CRIM resolution (2015/2110(INI)) was adopted on the 25 October 2016 by a very large majority (545 in favour, 91 against, 61 abstentions) and explicitly asked the Commission to submit the Anti-Corruption Report as soon as possible (point 9). Many Member States, international organisations such as GRECO, UNODC and OECD and civil society organisations, including Transparency International have also inquired about the next report.

On 20 October, FVP Timmermans told the LIBE committee that the Commission was drawing conclusions and working on the implications of the first report, and that Parliament would be informed by the end of 2016 on the way forward.

FOLLOW-UP TO THE FIRST ANTI-CORRUPTION REPORT

The **June 2014 JHA Council conclusions** on the EU Anti-corruption report (9969/14) stressed that the report is a valuable tool to consolidate anti-corruption efforts and promote high anti-corruption standards across the EU and that it should be seen as a next step in advancing the establishment of an EU-wide area based on integrity values. They also called on the Commission to **engage actively in close cooperation with the Member States** in a review of its methodology with a view to enhancing its political weight and value: "Particular attention should be given to the prior involvement of the Member States in the fact-finding stages of the procedure in order to collect objective and reliable data." The conclusions invited Member States to make further efforts to encourage anti-corruption prevention measures and effectively enforce anti-corruption laws and policies at national level, while noting that the situation varies from one Member State to the other.

All Member States have engaged constructively in the follow-up to the first report. They each designated a **national contact point** to provide updates on progress. In February 2015, the Commission organised the first meeting of the national contact points on corruption (all 28 MS participated) in Brussels and engaged in a dialogue on how to improve the Report. In 2015 and 2016, the Commission carried out a series of bilateral

visits to Member States, gathering information about progress from national authorities and stakeholders.

Several Member States have undertaken significant **anti-corruption reforms** in areas identified by the first ACR. For example, Ireland adopted a cutting-edge law and the Netherlands created an institution to protect whistleblowers; Spain enacted a wide-ranging anti-corruption legislative package; the Czech Republic and Malta adopted a political party financing law (where there was previously none); Slovakia adopted a rule-of-law action plan, introducing a central registry of public contracts; France set up an agency to foster transparency and integrity in public office, and introduced online asset declarations for elected officials; Germany revised its Criminal Code and ratified the United Nations Convention against Corruption (UNCAC); Luxembourg introduced Codes of Conduct for both members of Parliament and members of government. In addition, Member States are now actively transposing EU legislation on asset recovery, anti-money laundering and public procurement which improves anti-corruption capacity.

Member States are also actively participating in a successful anti-corruption **experience-sharing programme** organised by the Commission (DG HOME) as a follow-up to the first EU Anti-Corruption Report. In 2015 and 2016, over 200 national experts participated in a total of **six workshops** on asset disclosure, whistleblower protection, healthcare corruption, local public procurement, private sector corruption, and political immunities. Discussions in the workshops were constructive and open. The programme is meant to offer anti-corruption practitioners a forum for exchanging views on challenges and policy levers to address these and possibly seek inspiration from legislative reforms adopted or under preparation at Member States' level. The next workshop in February 2017 will be on corruption indicators.

There is increasing focus on the need for reliable quantitative data on corruption. Beyond the Eurobarometer surveys on corruption carried out every two years since 2007, Member States now participate, at the initiative of the Commission, in a unique **data collection on criminal statistics on corruption**. The collection reveals differences across countries in the definitions of offences, indicators available, and methods for recording data. Gathering credible data and measuring corruption remains a challenge, but using as many indicators as possible improves the reliability of estimates.

Anti-corruption is an integral part of the **European Semester**. Key findings of the first EU Anti-Corruption Report have been taken up in European Semester country reports (HU, CY, CZ, BG, HR, IT, LV, LT, PT, RO, SK, SI, ES) and in the economic adjustment programme for EL. In 2016, the Council endorsed Country Specific Recommendations related to corruption and transparency for nine MS (HU, CZ, HR, IT, LV, PT, RO, SK, ES). This is another way the EU can exert pressure for targeted anti-corruption reforms. Anti-corruption is also a key component of the programming of EU funding, including the European Structural and Investment Funds, to help build institutional capacity and modernise public administration in the Member States.

LOOKING AHEAD

2016 is a year of increased societal, political and media **attention** to integrity issues. At the international level, OECD, UNODC and the Council of Europe, but also G7 and G20 continue efforts on countering corruption. The EU and other regional and international organisations as well as individual Member States and other countries made a series of high level commitments at the London Anti-Corruption Summit in May. The Panama Papers

prompted initiatives to enhance the legal framework for transparency. At the EU level, the European Parliament, Ombudsman, EESC, and Court of Auditors have kept anti-corruption high on the agenda. Member States themselves have undertaken key reforms (as highlighted above).

A consistent policy line needs to be agreed at political level in the Commission on the way forward on EU anti-corruption activities and the second EU ACR. As announced by the First Vice-President, a response to LIBE should be sent before the end of the year.

On the basis of the considerations above, Cabinets' guidance is sought on the following **next steps**: