Council statement on corruption, misuse of EU funds and effects on the political decision making process

Debate foreseen: Wednesday, 16 January 2013, afternoon

CHECK AGAINST DELIVERY

President, Honourable Members,

I am grateful to this House for drawing attention to this important issue, and for organizing this debate.

Corruption is a significant threat to the foundations of our democratic system. It undermines the rule of law, on which all our national systems, as well as the European Union, is based. It saps public confidence in the institutions and organisations which are supposed to be at the service of every citizen. It also comes at an economic cost:
it is estimated that a sum equivalent to 1% of EU GDP is lost every year as a result of corruption.

Corruption thrives on a culture of secrecy and concealment. We can only begin to tackle it if we are open and transparent. Today's debate is therefore particularly welcome.

It is encouraging that corruption is acknowledged and discussed much more openly now than was the case a few decades ago. That goes not just for Europe, but also beyond. The EU has had considerable success in getting corruption onto the global agenda. We seek to use our influence through trade and other instruments at our disposal to encourage a more robust approach to corruption. Clearly much remains to be done but we are starting to get some of our partners to take the issue seriously, where once it was simply accepted as a part of life.

Within the EU there has been a strong political commitment - at the highest political level - to tackle corruption. In the Stockholm programme - the multiannual strategic framework covering the area of freedom, security and justice for the period 2010 to 2014 - the European Council called for concrete measures to strengthen the EU's anti-corruption policy. Furthermore, in its 2010 Internal Security Strategy, the Justice and Home Affairs Council referred to corruption as one of the main challenges to internal security, and called for further action at EU level.

These statements reflect a strong political will to tackle corruption within the EU and they are gradually being turned into concrete measures which constitute an effective and comprehensive EU anti-corruption strategy.

The Commission adopted an anti-corruption package in 2011. The package includes a decision to establish a new evaluation mechanism to assess anti-corruption efforts within the EU. It is a further step towards increased transparency, and it provides an incentive for Member States to ratify and implement existing international anti-
corruption instruments. This is important: there are still several key international conventions in this area which have not yet been ratified by all Member States.

The evaluation mechanism announced by the Commission in 2011 provides for reports every two years which will assess Member States' overall efforts in the fight against corruption. The first of these reports is due later this year and the Council looks forward to the opportunity that this will present to review and strengthen European anti-corruption measures.

But in addition to the measures undertaken by the Member States, the EU institutions also need to be seen to be taking the issue of corruption seriously. We require a clear commitment from each of the EU institutions to take responsibility for ensuring that effective anti-corruption policies are in place within their own structures. This is essential for the credibility of action at the EU level, and for the maintenance of confidence in the political decision-making process. The Council considers that the integrity of the EU’s institutions can best be demonstrated through the continuing development of measures which translate the principles of good governance into best working practices. This includes areas such as effective codes of ethics, clear rules on addressing possible conflicts of interest, unambiguous regulations on lobbying, and increased transparency in policy making.

The Council is also of the view that full membership by the EU in the Council of Europe Group of States against Corruption (GRECO) would help support and strengthen the EU's anti-corruption policy and that this should therefore be a matter of priority. The Council will work constructively in order to take forward negotiations with GRECO so that we can find an appropriate solution for EU participation. The Commission’s proposals for participation in GRECO were published in October 2012. Following preliminary discussions we understand that the Commission is reviewing its proposal. We will engage constructively with the Commission on this and we look forward to receiving a revised proposal from the Commission in due course.
A key actor in the protection of EU financial interests is, of course, the European Anti-Fraud Office (OLAF). In December, following lengthy and complex negotiations, the Council was able to confirm that it had reached political agreement on amending Regulation No 1073/1999, which is the basic legal act establishing OLAF's powers.

The new Regulation, once adopted, will strengthen OLAF's independence and clarify the tasks, duties, and scope of action of OLAF's Director-General and of the Supervisory Committee. It will also provide for clear reporting obligations, as well as for more timely and effective exchange of information between the various institutions and authorities involved during the different phases of investigations. The Council is convinced that these reforms will make a significant contribution to increased protection of the Union's financial interests and very much hopes that agreement in the Council will open the way for an early second reading agreement.

President, Honorable Members,

The Council, and the EU as a whole, takes the fight against corruption very seriously indeed. That involves support for anti-corruption measures in the Member States, but also includes ensuring that our own institutions set an example to Europe as a whole. Much has been and is being done to combat corruption. But we can never afford to be complacent. I can assure this House that in its drive to root out corruption both in our societies and in our institutions, you will have the full support of the Council and of this Presidency.

I thank you for your attention.