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Budget accountability

Checking the spending of public funds

It's that time of the year again, when the European Parliament reviews the spending of public funds by 52 EU institutions, and formally signs-off on the final accounting, this for time for the year 2015. Every year, there are a number of controversies that emerge, and this year is no different. In this article we highlight some of the most interesting parts of today's budget discharge votes:

More transparency in the Spending of MEPs' allowances: REJECTED!

The spending by MEPs of the allowances they get should be transparent and accountable, both to the administration and the public. The Green group is continuously proposing amendments to improve controls over how this money is spent, but the majority of political groups do not agree with this approach, which is why we've had to adopt <u>our own internal guidelines</u>

Today's vote on this matter was extremely disappointing: Despite having voted last year for "full transparency" of the General Expenditure allowance (GEA), this year MEPs decided they only wanted to "define and publish the rules concerning the use of the GEA". The GEA is a pot of around €4300, paid monthly to MEPs, to cover their office expenditures.

In addition, all our other amendments to increase transparency in the system were voted down by the majority of political groups. These are the 5 specific proposals that the Greens put forward, but which were not adopted by the majority:

- 1. The GEA should be handled in all cases in a separate bank account;
- 2. All receipts should be kept by Members;
- 3. The unspent amount should be returned at the end of the mandate;
- **4.** A 5% sample check of GEA spending should be carried out as part of Parliament's internal auditing; the final results and the findings should be part of the annual report published by Parliament;
- 5. The Members should publish, on an annual basis, an overview of their expenditures by category (communication costs, office rental, office supplies...);

Criticism of Parliament's ex-President, finally

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On the other hand, this year, there was finally some critical language adopted about ex-European Parliament President Martin Schulz's political activities and financial behaviour during the 2014 European elections.

Last year, all of the references that criticised Schulz's behaviour were deleted, due to an agreement between the EPP group and the S&D group: The EPP group agreed to leave Schulz alone, but in exchange they managed to get references to revolving doors and cooling off periods for MEPs completely deleted (these are rules that prevent them from taking up jobs in the same areas they were previously responsible for regulating, to avoid potential conflicts of interest and insider advantages).

The reason for this change it tack? The "grand coalition" between the S&D and EPP has recently been damaged, but actually these 2 parties are currently battling it out in the context of the German elections, for which ex-Parliament President Schulz is a candidate. Any criticism of his actions is therefore of course valuable for his political opponents in Germany, even if these same political opponents were actually protecting him last year. We Greens believe that we have the right to know if President of the European Parliament did anything legally or ethically questionable.

European Commission gets a tough warning on ethics

As for the European Commission, the European Parliament had some harsh words on their ethics system, calling for:

- The Commission to refer the case of ex-Commissioner Barroso, and his move through the revolving doors to work for Goldman Sachs after 10 years in office, to the European Court of Justice for it to give an opinion on the matter;
- The reform of the Commission's code of conduct on ethics by the end of the year;
- The transformation of the Commission's ad hoc ethical committee in order to extend its powers, include independent experts, increase the transparency of its functioning, and make sure that its opinions are made public;
- The implementation of a three year cooling off period for all Commissioners and the introduction of proper criteria for assessing potential conflicts of interest after Commissioners leave office and pass through revolving doors into the private sector;
- The Commission to publish the names, the function, the grade, working hours etc, and the declarations of interest of all special advisors.

European Commission told to clean up expert groups and ensure balanced participation

The Parliament also highlighted that opacity has a negative effect on citizen trust and that it is essential to revive the involvement of representatives of civil society and the social partners in crucial areas of EU decision-making.

More specifically, the Commission was told to reform its expert group system to ensure a balance in the different interests represented. It was also reprimanded for not distinguishing between economic and non-economic interests when seeking external advice and for failing to hold a public consultation the last time that it reviewed its rules on expert groups (May 2016).

The Parliament also called on the Commission to make the agendas, background documents, minutes of meetings and the deliberations of its expert groups public.

European Food Safety Agency Slammed for Conflicts of Interest

The European Parliament had particularly harsh words for EFSA, the EU's Food Safety Authority which is

at the heart of the recent controversies around glyphosate, for its failure to adequately tackle potential conflicts of interest in its functioning.

The Parliament was critical of the decision to hire a food industry lobbyist as its head of Communications and it called on EFSA to forbid the participation of companies whose substances are evaluated by the Authority from sitting in EFSA's scientific panels or working groups.

Calling for a two year cooling off period on industry experts working for EFSA, it was also recommended that EFSA hire in-house experts that are free from conflicts of interest in order to mitigate its reliance on external expertise.

The Parliament also highlighted the importance of the right of public access to documents and reminded the Authority that scientific rigour is best ensured by transparency and accountability. Unfortunately, however, our proposals to get EFSA to only use public, peer-reviewed studies for its assessments, and to improve its access to documents policy, were both voted down.

More information:

- About the Greens/EFA internal policy on the General Expenditure Allowance: <u>https://www.greens-efa.eu/files/doc/docs/c4c89870ef7916582afa17681d4ce0ab.pdf</u>
- About EFSA and transparency: <u>https://www.greens-efa.eu/en/article/news/meps-protest-on-right-to-know-day-against-fake-transparency-on-glyphosate/</u>
- About the Commission's ethics system: <u>https://www.greens-efa.eu/en/article/conflicts-of-interest-6454/</u>
- About Revolving Doors: <u>https://www.greens-efa.eu/en/article/news/the-revolving-door-phenomenon-is-a-systemic-issue-that-must-be-urgently-addressed/</u>

About our proposals for ethical reform: <u>https://www.greens-</u> efa.eu/legacy/fileadmin/dam/Images/Transparency_campaign/fixing_a_broken_ethics_system.pdf

Recommended

Press release

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Debriefing of the April 2025 Plenary Session

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PLENARY FLASH: 31 March - 3 April

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Contact person



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Attached documents

Transparency of the General Expenditure Allowance Policy paper

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